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ESTABLISHED 1867

Departure of Ecuador: The Symbol for OPEC Of a Decade in Decline

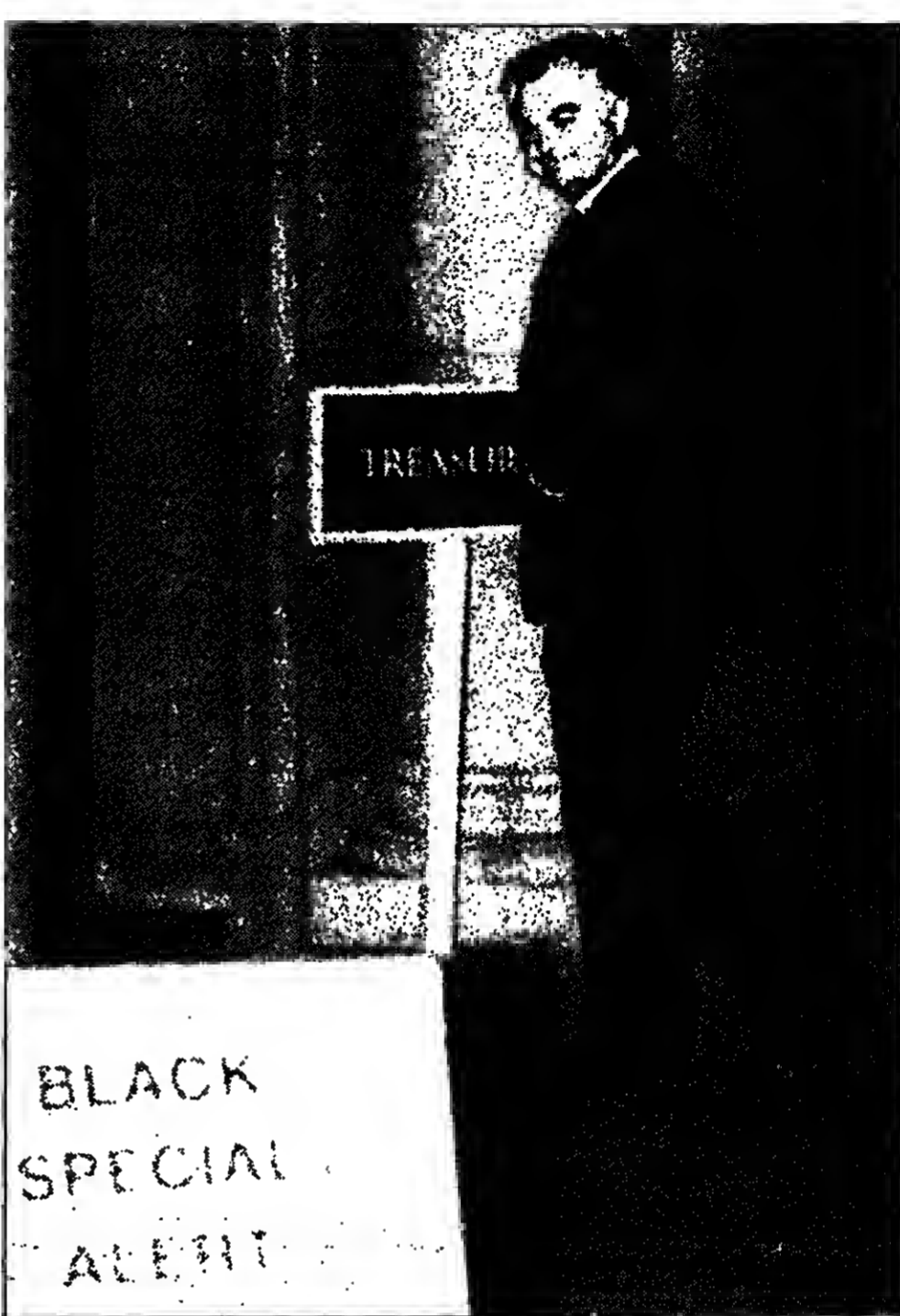
By Youssef M. Ibrahim... GENEVA—In a blow to the Organization of Petroleum Exporting Countries, Ecuador informed the oil cartel Friday that it was dropping its membership.

ble its oil output—currently about 300,000 barrels a day—within a few years. In a statement issued Thursday in Quito, the president said: "Countries like Norway, England and Mexico, which are selling their oil in significant quantities, are not in OPEC."

National Interest Comes First, Britain Declares to Europeans

EC Plans Emergency Talks After French Vote

By Joseph Fitchett... PARIS—European Community governments, stunned by recent economic jolts and alarmed by the threat of a political unraveling, said Friday that their foreign ministers would meet in New York at the UN General Assembly session on Monday, the day after France's referendum on the Maastricht treaty.



Norman Lamont heading into his London office on Friday past a 'Black Special Alert' sign. It refers not to the financial crisis but to a longtime high level of security because of possible IRA attacks.

Pound's Float Is Indefinite, U.K.-German Feud Heats Up

Compiled by Our Staff From Dispatches... LONDON—Britain said Friday that it was putting national interest ahead of its European commitment and would keep the pound floating for as long as it took to close the "fault lines" in the EC's crisis-torn monetary grid.

Clinton on Military Policy Sounds a Lot Like Bush

By John Lancaster... WASHINGTON—As the two presidential candidates offer formulas for shaping America's post-Cold War defenses, it is sometimes hard to tell the Democrat from the Republican.

savings would go toward domestic programs such as transportation, civilian research and job training. Mr. Bush, for his part, contends that Mr. Clinton's plan would jeopardize national security and the domestic economy, costing up to \$100 billion.

Fatal Attraction? Germans' Love Affair With Mark

By Marc Fisher... BERLIN—A simple coin, the German eagle on one side, the words "Deutsche Mark" on the other, has emerged both as a symbol of the reunited Germany's strength and pride and as a looming barrier to the realization of the decades-old dream of European unity.

European currencies lost value while the mark remained the continent's most stable money. But if the story of the mark is a fairy tale, it is one heading toward a scary ending.

Not Flashy but Very Secure: Some Currencies to Cherish in a Tempestuous Market

By Tom Redburn... PARIS—Call it the DMZ of Europe's currency war. While battles raged all this week in the exchange market trenches over the British pound, the Italian lira, the Swedish krona and then spread to several other currencies, including the economically sound but politically uncertain French franc, a handful of currencies easily managed to stay out of the line of fire.

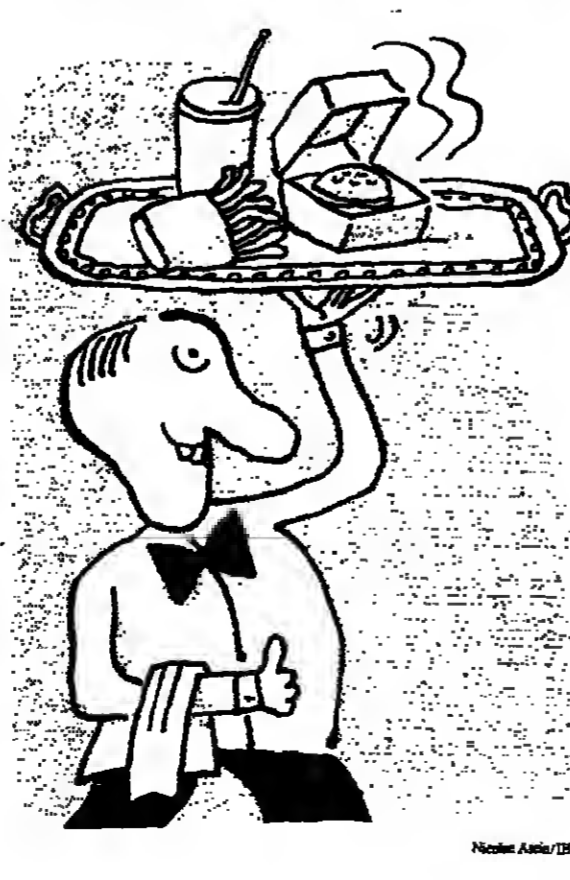
demilitarized zone. Moreover, they are part of what might be considered the Deutsche mark zone. "The Dutch and Belgian currencies are islands of stability," said Brendan Brown, chief economist at Mitsubishi Finance in London, "because everyone knows their countries have no choice but to follow the Bundesbank."

European Community except the Greek drachma in a semifixed exchange rate system. At the same time, Switzerland, while not part of the EMS, is dedicated to pursuing anti-inflationary policies similar to those of Germany. That makes it, too, a safe haven when currency storms are raging.

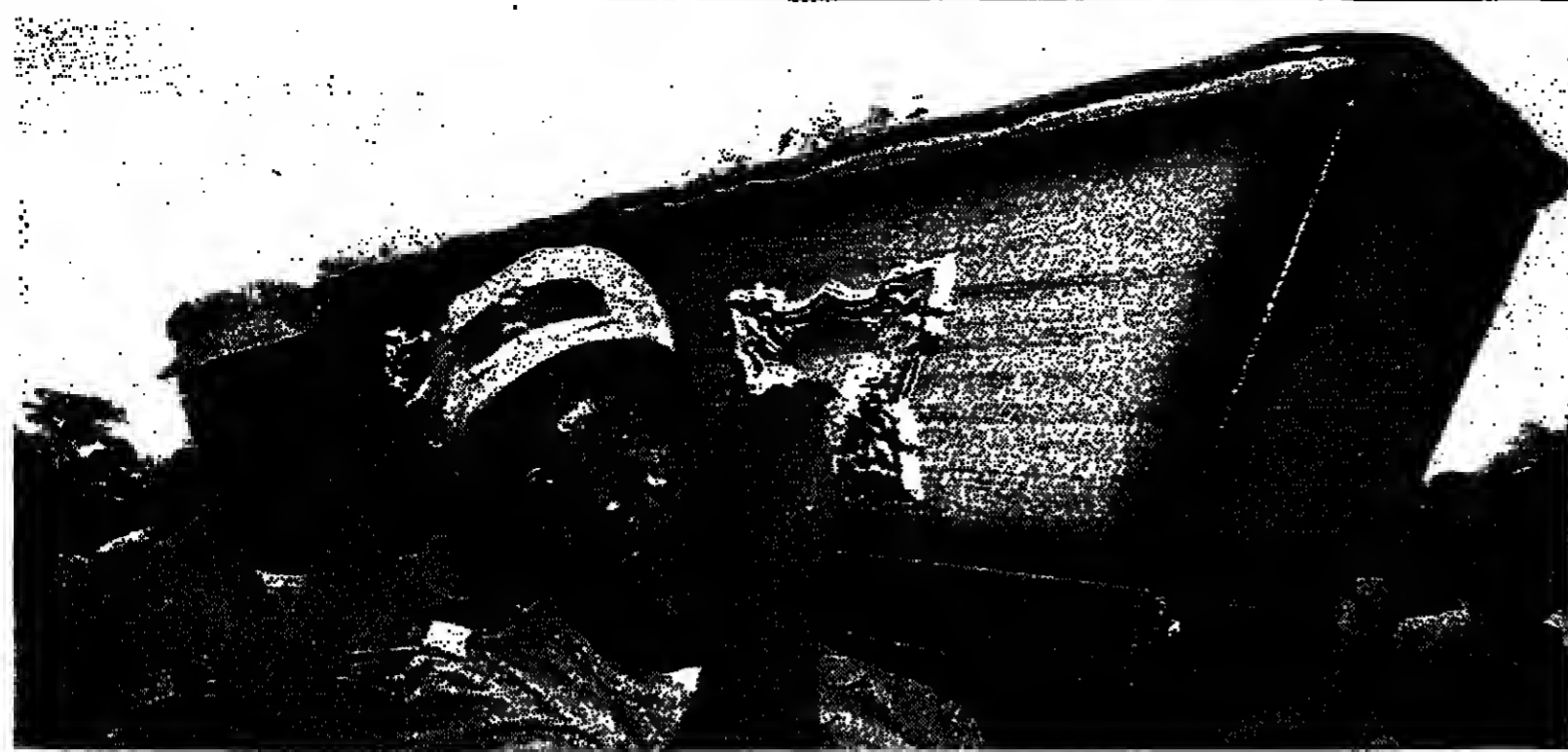
time worrying about the currencies inextricably tied to the Deutsche mark. They know they won't find any vulnerability. "What's the point?" asked one currency trader in New York. "Their central banks do exactly what the Bundesbank does, usually within about 15 minutes."

Denmark, in recent years, had also joined the inner core within the EMS as it pursued rigorous anti-inflationary economic policies. But its currency has been subject to some weakness this week because of fallout from the attacks on Nordic currencies outside the EMS and Denmark's ambiguous position toward the Maastricht treaty.

Kiosk section containing various news snippets: U.S. Halts Aid Flights After Melee, General News, Sports, Business/Finance, Money Report, Crossword.



Burger King Is Serving It Up Upscale. By Edwin McDowell. NEW YORK—In a break with its fast-food past, Burger King Corp. will begin using waiters to serve dinner at tables set with tablecloths and napkin rings. And a new menu will feature higher-priced items other than hamburgers.



Funeralbearers in Kingwilliamstown, South Africa, where 15 members of the ANC were buried Friday. Funerals were held earlier for all 28 protesters killed Sept. 7 in Ciskei.

# Pretoria Seeks End To Era of Homelands

By Paul Taylor

Washington Post Service

JOHANNESBURG — As tens of thousands of mourners took part in a funeral Friday for the 28 victims of the massacre Sept. 7 in the black homeland of Ciskei, the South African government put out fresh signals that the day of the homelands was nearly done.

Government spokesmen said they were drafting legislation that would either bring about the reincorporation into South Africa of the four "independent" homelands, whose sovereignty has never been recognized by any nation except South Africa, or the surrendering to the central government of key homeland powers, such as defense.

The legislation, expected to be introduced in Parliament early next year, is still subject to negotiations between the government, the homelands and all major political parties.

During constitutional talks earlier this year, the government of President Frederik W. de Klerk agreed in principle to reincorporate the homelands of Transkei, Ciskei, Venda and Bophuthatswana, which were given their "independence" from 1976 to 1981 under an apartheid plan aimed at purging South Africa of black citizens.

The Serbs disagreed over the size of the convoy, but all agreed that there was one bus full of women and children and at least four trucks. Estimates of the number of cars ran as high as 60.

The ANC's deputy president, Walter Sisulu, told the gathering of mourners, which included a large contingent of foreign diplomats and church leaders, that the "mass action" campaign of protest marches would continue until a new nonracial government came to power in South Africa.

A hotel just over the "border" in Ciskei was the scene Friday night of gunfire and looting by crowds that appeared to have spilled over from the funeral. One person was reported killed.

Defense Minister Wynand Breytenbach was quoted by Reuters as saying: "The situation now is worrying. People leaving the funeral are committing arson and looting."

Hundreds of miles away in Johannesburg, Mr. de Klerk addressed a regional conference of his ruling National Party and said the mass action campaign was "eating away like a cancer at the security and welfare of all South Africans."

He laid the blame for this country's epidemic of violence squarely on the shoulders of the ANC. "We don't burn officers," he said. "We don't whip up emotions to the point where people have blood in their eyes. That is the real cause of the violence."

At the same time, Mr. de Klerk sounded an optimistic note that he would soon be having a meeting with the ANC president, Nelson Mandela, to discuss the causes of the violence.

# WORLD BRIEFS

## Bonn Lays Out UN Council Seat Plan

Foreign Minister Klaus Kinkel said in an article published Friday that Germany would seek a permanent seat on the UN Security Council if Japan and other countries did so, too.

Mr. Kinkel, in an article written for the Mainz newspaper Allgemeine Zeitung, said he would go to the General Assembly in New York next week but had no plans to lead a move to change the UN Charter.

But he added: "If countries like Japan, Nigeria, Brazil and India strive for a seat on the Security Council, we will do so, too." Mr. Kinkel said it would be in Germany's interest to take part in early discussions on the makeup of the Security Council. It now has five full-time members — the United States, China, Britain, France and Russia.

## Neo-Nazis Attack a Hostel in Wismar

Berlin (Reuters) — Violence against foreigners continued in Germany as Neo-Nazi youths attacked a refugee home in the East for the fourth straight night and gasoline bombs were thrown at a hostel in the West, the police said Friday.

The federal prosecutor, Alexander von Stahl, said there was no evidence that any organization was behind the hundreds of rightist attacks on homes for foreign asylum seekers this year.

Up to 40 youths shouting racist taunts hurled stones and gasoline bombs in the latest of a series of attacks on a refugee hostel in the Baltic port city of Wismar on Thursday night. Riot policemen detained seven people. The police in Western Germany said three bombs were thrown at a hostel near Heidelberg, but they failed to ignite.

## Tokyo Warns Against Kuril Buildup

TOKYO (AFP) — The strained relations between Japan and Russia worsened Friday as Tokyo openly warned Moscow against development of the disputed Kuril Islands, a Foreign Ministry official said.

Nagao Hyodo, director-general of the ministry's European and Oceanic Affairs Bureau, told Ambassador Ludwig Czichow of Russia that such moves would "harm efforts to strengthen Japanese-Russian relations," the official said.

Earlier in the day, Kyodo News Service quoted the agriculture, forestry and fisheries minister, Masami Tamaki, as hinting that Japan would block a Russian-Japanese fisheries venture from using the waters around the islands. In the past week, there have been reports that local Russian authorities were giving approval to companies to develop the islands.

## Conviction in Lockheed Case Upheld

TOKYO (AP) — In its first ruling in one of Japan's worst postwar scandals, the Supreme Court on Friday upheld the conviction of a former airlines executive for taking kickbacks from Lockheed Corp. and giving false testimony to the legislature.

The ruling let stand Tokuhiko Wakasa's three-year suspended sentence for his role in the multimillion-dollar payoff scandal that began 16 years ago. Mr. Wakasa is a former chairman of All Nippon Airways.

The scandal emerged after testimony in the U.S. Senate in 1976 disclosed that Lockheed Corp. had spent \$123 million in Japan to promote the sales of its airplanes, including bribes and questionable political contributions. Sixteen people eventually were indicted. They included former Prime Minister Kakuei Tanaka, perhaps the nation's most powerful postwar politician. He is appealing his conviction.

## Russian Says Hitler's Remains Exist

MOSCOW (NYT) — A Russian historian says that the charred remains of Hitler were found by Soviet troops soon after the German leader's suicide in 1945, and that his jaw and parts of his skull are still stored in the Soviet archives in Moscow.

But the historian, Lev A. Bezymenskiy, said a piece of Soviet archival film supposedly showing Hitler's intact corpse, broadcast this week on Russian television, was already known not to show the body of Hitler at all. The film caused a sensation because it virtually all accounts Hitler's body was doused with fuel and burned after he committed suicide in his command bunker in Berlin on April 30, 1945.

Mr. Bezymenskiy said the body in the film, which looked like Hitler's and had a bullet hole in its forehead, was found by Soviet troops on May 4, 1945, near the Hitler bunker. Believing that they might have found the body of the Nazi leader, Soviet officers ordered that the body be filmed, he said. But later that same day, he said, Soviet troops found the actual charred bodies of Hitler and his wife, Eva Braun, who committed suicide with him.

## For the Record

François Mitterrand, after surgery for prostate cancer, will resume his presidential duties on Wednesday, a spokesman said Friday. (AP)

## TRAVEL UPDATE

The 800-year-old Leaning Tower of Pisa faces collapse unless the Italian government allows more restoration work, the official in charge of the tower's upkeep said Friday. Engineers have begun to stabilize the tower, which leans 5 meters (16 feet) off the perpendicular, but they need official permission to continue work past Sept. 30. (Reuters)

Rock-throwing vandals damaged stained glass in the Great East Window of Carlisle Cathedral in northern England. Repairs will cost an estimated \$16,000, an official said. The 14th-century glass depicting the Last Judgment in the medieval stone tracery at the top of the window escaped damage. (AP)

The Russian airline Aeroflot will start flying between the arctic Norwegian town of Kirkenes and the Russian port city of Murmansk on Oct. 2, the airline announced Friday. (AP)

# Bosnia's Horror: Wanton Ambush on Civilians

By Roger Cohen

New York Times Service

KUKAVICE, Bosnia-Herzegovina — Even by the standards of a dirty war, the scene here is one of horror. Four bodies charred and putrid, lie sprawled beside overturned cars, scraps of clothing and broken glass. The blackened skull from another burned corpse has fallen from a vehicle onto the road.

The attack on a convoy of Serbian civilians happened almost three weeks ago. But because it took place in a still fiercely contested no-man's-land between the Muslim-dominated town of Gorazde and the Serbian-held town of Rogatica, it has previously been impossible for reporters to reach the area or for the road to be cleared.

What remains today is powerful testimony to the crazed brutality of the war in Bosnia. The question of who started the spiral of violence that led to such wanton killing remains a matter of dispute. But interviews with several people who said they survived the attack, and a visit to the scene, indicate that, in this instance, at least 11 and perhaps as many as 21 civilian Serbs, many of them women and children, were gunned down.

Western analysts say they believe that such attacks by Muslim forces on Serbs are likely to become a feature of the war in Bosnia. In the face of superior Serbian forces, Muslim fighters loyal to the Bosnian president, Alija Izetbegovic, appear to be turning in-

creasingly to guerrilla warfare. Last week, a similar ambush on the road near Zvornik in northern Bosnia was reported to have killed eight Serbian civilians.

The attack here, which the Serbs all say happened in the early afternoon of Aug. 27, came at the beginning of the lifting of a long Serbian siege of Gorazde, a regional center about 16 kilometers (10 miles) south of Kuzmice. Serbian forces had circled Gorazde, whose population of 40,000 was about 75 percent Muslim before the war. By late August, according to United Nations officials who reached the town in a

convoy, conditions in the town were extremely bad. Then, on Aug. 27, Serbian soldiers on the north side of Gorazde say they received orders to pull back in line with a commitment to lift the Serbian sieges of Sarajevo and other major Bosnian cities signed that day in London by the leader of the Bosnian Serbs, Radovan Karadzic. Others have asserted that the Serbs withdrew under the pressure of a Muslim counteroffensive.

In any event, Serbs interviewed in a hospital in Sokolac this past week said that several hundred Serbian residents of the village of

Jabuka and rural areas north of Gorazde were ordered by the retreating Serbian soldiers to form a convoy and leave the area.

"It was just after noon on the 27th and we got instructions that women and children and older people had to evacuate," said Vojko Laskica, a 64-year-old Serbian living near Jabuka whose left leg was amputated after he was wounded in the ambush. "I had a car, a Mazda 323, so I put my daughter in it and three of my neighbors, who were sick. We gathered at Jabuka hill, about six miles from the center of Gorazde."

Those who said they had been in the convoy said it was assembled in great haste, as the Serbian fighters were scheduled to pull out the next day and the Serbian civilians feared reprisals from the Muslim fighters advancing from Gorazde.

The Serbs disagreed over the size of the convoy, but all agreed that there was one bus full of women and children and at least four trucks. Estimates of the number of cars ran as high as 60.

The convoy got under way on the afternoon of Aug. 27, and a military escort followed the convoy up a winding dirt road toward Meslija, about midway between Gorazde and Rogatica. After that, when the convoy joined the main road to Rogatica, it was left alone.

That decision, said Rajko Kusic, a Serbian military commander, reflected a belief that the convoy was in safe territory and that a military presence would only draw attention to it.

Just north of the village of Kuzmice, the road passes into a gully bordered by steep embankments. It was here, from the tops of the banks beside the road, that Muslim forces — perhaps 15 or 20 guerrillas — apparently opened fire with automatic weapons.

The vast tide of refugees in Bosnia-Herzegovina have fallen prey to the ruthless desire of the majority ethnic group in one region to evict minority groups. That has been the policy of the Serbs in many parts of Bosnia; but the same policy is clearly being pursued by Muslims

diators held separate meetings in Geneva with the warring leaders, after having failed to persuade them to meet face to face. But the president of the self-declared Bosnian Republic, Radovan Karadzic, said afterward: "The Muslims don't define any objectives, except that they want total control of the whole republic."

He appeared to confirm indications that his forces, who control about 70 percent of the republic, were seeking an accommodation with the Croats at Muslim expense.

"It is easier to deal with the Croats because they have objectives," he added. "We are ready to discuss a cease-fire with them and a delimitation of territory between our two ethnic groups."

Mr. Karadzic's prime minister, Branko Djeric, said in Belgrade that the Bosnian Serbs' minimum demand for peace remained the division of Bosnia-Herzegovina along cantonal lines. Mr. Djeric said there was no prospect of a resolution soon. (Reuters, AFP)

## Serbs' Attacks Undercut Geneva Talks

Compiled by Our Staff From Dispatches

# Backstage Intrigue Snags Mideast Peace Talks

By Thomas L. Friedman

New York Times Service

WASHINGTON — The roller-coaster Arab-Israeli peace talks appear to have strayed into the Byzantine alleyways of inter-Arab and intra-Israeli politics.

As a result, the talks have taken another wild turn as Syria, a day after declaring progress with Israel, said negotiations were deadlocked and that only urgent U.S. intervention could save them.

According to American, Arab and Israeli officials, what seems to have happened is this: Two weeks ago, at the start of this round of negotiations, the Israelis signaled the Syrians that they were interested in a deal by saying that UN Resolution 242, which calls for Israel to trade occupied land for peace with its Arab neighbors, applied to the Golan Heights, which was part of Syria until 1967. Israel, they suggested, was prepared to deal with Syria before dealing with the other Arab parties.

This produced several statements by President Hafez Assad of Syria about his willingness to make peace with Israel. Prime Minister Yitzhak Rabin of Israel responded by declaring that Israel was ready in principle for "a certain territorial compromise" on the Golan.

Yasser Arafat, chairman of the Palestine Liberation Organization, watching all this from his headquarters in Tunis, apparently began to suspect that Syria and Israel were preparing to cut a separate deal, as Egypt and Israel had set the stage in 1977, and that the Palestinians would be left out.

So, according to Arab officials, Tunis suggested that Resolution 242 also applies to the Israeli-Palestinian negotiations over the occupied West Bank and Gaza Strip. The PLO apparently figured that the Palestinians better get assurances that their talks with Israel would also end in an Israeli withdrawal, not just interim self-rule.

Syria is the one Arab party in the negotiations with real strategic weight, and if it were removed or isolated in any way, the other Arab parties — Lebanon, Jordan, and the Palestinians — would be at a real disadvantage.

There was a conspicuous difference of opinion within the Palestinian delegation about the wisdom of raising the withdrawal issue at this point, with part of the group insisting on it and part arguing that it was futile, U.S. officials said.

On Tuesday, the assistant secretary of state for Near Eastern Affairs, Edward P. Djerejian, who is directing Middle East diplomacy and overseeing the peace talks, called in the Palestinians and "read them the riot act," one official said.

Mr. Djerejian told them that the question of Israeli withdrawal from the West Bank and Gaza was not on the table between Israel and the Palestinians, according to the terms of reference for the talks. The only thing on the table, he said, was interim self-rule for the Palestinians in the West Bank and Gaza.

In the meantime, though, editors in some pro-PLO Arabic newspapers also hinted that the Syrians were about to make a separate peace with the Israelis.

Further feeding the Arab rumor mill about a separate Syrian-Israeli deal were efforts by Foreign Minister Shimon Peres of Israel to encourage Foreign Minister Roland Dumas of France and Foreign Minister Andrei V. Kozirev of Russia to mediate.

These reports not only made the Palestinians anxious, Israeli officials said Mr. Rabin, Mr. Peres's rival and boss, was infuriated. So, Mr. Rabin sent the Syrians a public message, saying: "I want to clarify especially to the Syrians that the talks are via one and only one channel — between the Syrian delegation and the Israeli delegation. All sorts of misdeeds are not relevant to the negotiations."

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# Roh Says North Slows Rush to Nuclear Arms

By David E. Sanger

New York Times Service

SEOUL — President Roh Tae Woo of South Korea remains suspicious of North Korea's nuclear intentions, but he has become convinced that its "determination to develop nuclear weapons has become weaker."

Mr. Roh's comments, in an interview, marked a reversal from assessments only five months ago by the director of U.S. central intelligence, Robert M. Gates, and other officials that North Korea might be only months away from building an atomic weapon.

Mr. Roh said he would continue to insist that North Korea go beyond the inspections by the International Atomic Energy Agency now under way and agree to far more intrusive mutual inspections. "We still have suspicions about the North Korean nuclear program," he said. "Just as the United States and other allies are not satisfied."

But U.S. officials have begun to say that Mr. Gates may have overestimated North Korea's nuclear skills. In talks that ended on Thursday in Pyongyang, the prime ministers of the two countries signed three major agreements but failed again to agree on a program that would allow the South to conduct "challenge inspections" of military sites in the North.

But Mr. Roh said: "My own view is that in the long run, North Korea will have to submit to mutual inspection" because it will be the only way to improve relations with the United States and Japan. Mr. Roh, 60, leaves office in February. He talked at length about his trip later this month to China, which recently established diplomatic relations with South Korea.

"The main goal of my 'northern policy' was to open formal relations with North Korea's friends and allies, and through them to influence North Korea itself," he said, referring to initiatives that have turned Russia and China, once among the South's enemies, into its newest trading partners.

"As for North Korea's will to persist in the development of nuclear weapons," the president said, "it has been somewhat alleviated by pressure." In Washington, growing numbers of experts are coming to similar conclusions.

# Beijing Attacks Hong Kong's Airport Plan

By David E. Sanger

New York Times Service

HONG KONG — China on Friday attacked fresh proposals for financing Hong Kong's new airport, casting doubt on whether Britain will ever cut the ribbon on one of the world's biggest infrastructure projects.

Pro-Beijing newspapers, which act as China's unofficial spokesmen in Hong Kong, accused the colonial government of duplicity.

The attacks deflated stock-market euphoria that China would accept the latest plan after months of wrangling, allowing the \$2.2 billion project to open as scheduled before Britain in 1997 lowers the flag over its last major colony.

The Hong Kong government proposed Wednesday that an extra \$5.1 billion be injected into the airport and the railroad, which will link it to the central business district.

But the plan found no favor with the pro-Beijing press even though it was based on Chinese suggestions for cutting the debt burden on the post-1997 government.

# DEATH NOTICE

Our beloved brother, uncle, great uncle, nephew and cousin. **GIANNICO BUCHER** Swiss Ambassador

Passed away peacefully on August 21, 1992 after a long illness in his home in Bellagio, 22021 Italy. Marie-Anne and René Maillet-Bucher, their children and grandchildren Rudi and Maria Bucher-Giorgi their children and grandchildren Lily Bucher and her daughter.

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BELGIUM Walt Lutz Cox (32-2) 215 63 36	FRANCE Joe Semmlinger (33-1) 45 66 49 05	ITALY Francesca Vetta (39-6) 391 39 93	NETHERLANDS Jeff Phillips (31-20) 331 43 96	SINGAPORE Jim Baker (65) 468 76 13
BRAZIL Christiane Schorn Margarite (55-11) 804 60 09	GREECE Marya Rogina (30-1) 775 33 91	JAPAN Cheryl Hill (81-3) 37 76 16 46	PANAMA Richard Koster (507) 63 30 60	TAIWAN Robert Cox (886-2) 723 30 00
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**The Weather**

Forecast for Sunday through Tuesday

Region	Today	Tomorrow	Day After
North America	Sunny and bright with some clouds. High 70-80. Low 50-60.	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.
Europe	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.
Asia	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.
Africa	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.
Latin America	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.	Partly sunny and mild. High 60-70. Low 40-50.

Legend: s=sunny, p=partly cloudy, c=cloudy, sh=showers, th=thunderstorms, r=rain, dr=drizzle, m=mist, w=wind, h=high, l=low, w=weather

كندا من الأصل

صباحنا من الامم

# CAMPAIGN '92 / A TASTE OF EUROPE

## Bush Salvo: Hit Clinton With Europe's Social Woes

By Paul F. Horvitz  
*International Herald Tribune*

WASHINGTON — Europe's economic jitters have suddenly become a weapon in the re-election arsenal of President George Bush.

In a hard-edged speech in Oklahoma, Mr. Bush contended that his Democratic rival, Governor Bill Clinton, drew his philosophy of government from the same "socialist engineers" who created a failed European "welfare state" now burdened with high unemployment and public discontent.

While Mr. Bush made no specific mention of Europe's currency market upheaval or the French vote Sunday on closer European union, he implied a kinship with "ordinary Europeans" who are "rebellious against anything that even smacks of the elite central government."

This newly darkened view of Europe is part of broader attempt by Mr. Bush to cast himself in the final weeks of the U.S. presidential campaign as the champion of the unfettered free market and portend Mr. Clinton as a proponent of state socialism.

It remains unclear whether this line of attack — virtually labeling one's opponent a socialist — still influences Americans in the profound way that anti-Communist rhetoric did during the Cold War.

Mr. Bush's new tactic of using economic instability in Europe as an example of what could happen in the United States might backfire if voters dismiss his argument that the Democrats hold views alien to the American economic tradition.

There is already evidence in opinion surveys that many voters do not believe what

Mr. Bush tells them, especially his vows to cut taxes. The White House evidently hopes voters will come to believe Mr. Clinton even less.

### NEWS ANALYSIS

Mr. Bush tells them, especially his vows to cut taxes. The White House evidently hopes voters will come to believe Mr. Clinton even less.

In his Oklahoma speech on Thursday, Mr. Bush said Mr. Clinton and his economic advisers "can trace their intellectual roots to the social engineering ideas popular at the turn of the century." These early thinkers, he said, without naming any, "advocated large-scale government ownership to give the state the leading role in society and the economy."

"And today," Mr. Bush continued, "European governments are still selling off the inefficient industrial monstrosities that were born from those ideas."

"And over the years," he continued, "those early socialist engineers became interventionist liberals, who wanted to create a welfare state, and they sought to level the

differences, to tax success, to redistribute wealth. And they ended up paralyzing the private sector. And that's one reason that some European countries today are stuck with unemployment rates around, if not higher than, 10 percent. And that's why ordinary Europeans are rebelling against anything that even smacks of the elite central government."

"Now, my opponent is drawn to these views," the president said. "He and a number of his advisers studied them at Oxford in the 1960s." Mr. Clinton and some of his key advisers were Rhodes Scholars at Oxford.

The president even seemed to take a page from the playbook of Philippe Séguin, a French critic of the Treaty on European Union that comes up for referendum Sunday. Mr. Séguin has attacked what he views as a new European ruling class of technocrats that will guide a united Europe.

In Mr. Bush's view, the American villain is the "government planner." He said Mr. Clinton professes "the false certitude of social engineering fashioned by a new economic elite of the so-called best and brightest."

The president declared that "the most fundamental disagreement" between the two candidates was "whether the driving engine of growth is government interventionism or

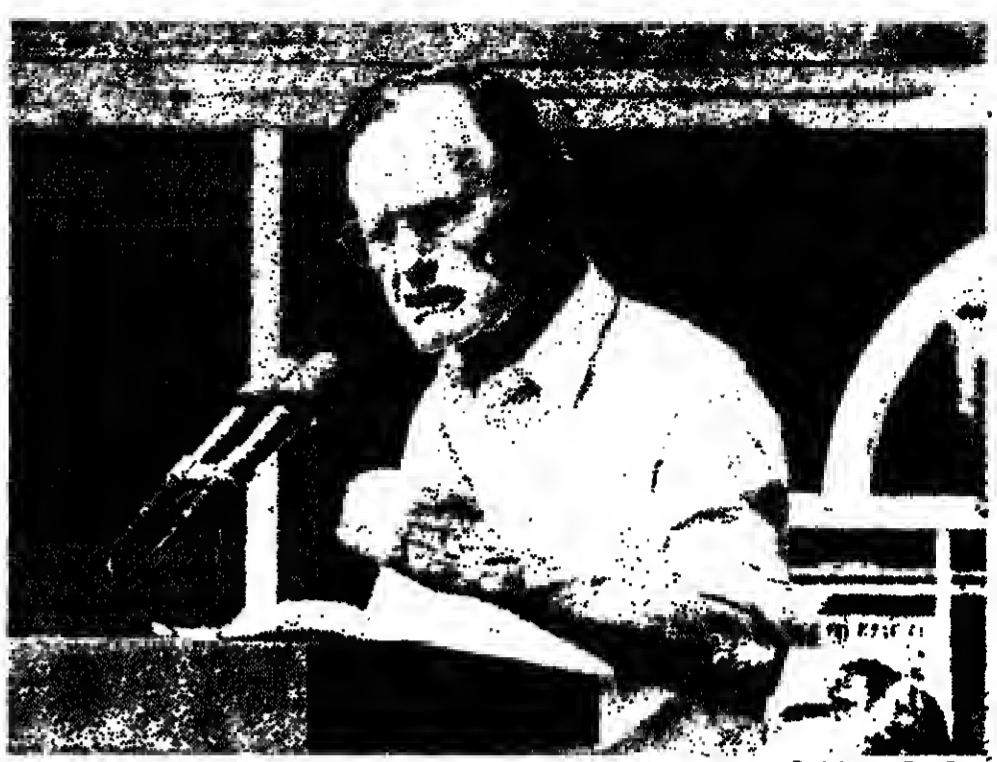
entrepreneurial capitalism." Europe is only his latest example of the failure of interventionism.

Mr. Clinton's communications director, George Stephanopoulos, reacted by calling Mr. Bush's rhetoric "strange." He said the Arkansas governor's plans for education, training, health care and investment in new technologies "sounds a lot more like the American way than what we've had under Bush — fewer jobs, higher taxes, higher government spending and higher unemployment."

Mr. Clinton, widely viewed as a political centrist, has called for both cuts in government programs and new spending to stimulate long-term growth, and he demands greater cooperation among government, business and labor.

So at its core, Mr. Bush's argument is one that Mr. Clinton accepts and plays to. The Democrat said in a speech Thursday that Mr. Bush "hates the government" but has permitted so many industrial jobs to be lost that more Americans work today in government offices than in factories.

"We can make government work again," Mr. Clinton said, "by making it more aggressive and leaner and more effective at the same time."



Mr. Bush speaking at a new housing development in Jonesboro, an Atlanta suburb.

### ELECTION NOTES

#### A Change in Clinton: No More Mr. Tough Guy?

DENVER — The other night, the Democratic presidential nominee entertained a group of reporters on his campaign plane with a run-down of Bill Clinton's Laws of Politics. Mr. Clinton's latest speak of a deep and somewhat cynical understanding of the line of work he is in: "When you're starting to have a good time, you're supposed to be somewhat else," and "Nearly everyone will lie to you, given the right circumstances." There was one well-known political law, along the same lines, that the candidate did not mention: Give the people what they want.

But if Mr. Clinton does not preach that particular law, increasingly he seems to be practicing it. The candidate who once sounded like a Dutch uncle, with his stern talk of cutting federal spending and the need for sacrifice, now sounds more like a sugar daddy.

Back in the days before he was sitting on a 15-percentage-point lead over President George Bush, Mr. Clinton used to make a point of talking tough. He warned about the dangers of the massive federal deficit. He made a special point of taking his hardest messages directly to those who would least enjoy hearing them, lecturing a white audience in Georgia about racism and telling off the Rainbow Coalition for honoring the rap performer Sister Souljah.

Now, even when Mr. Clinton brings up such unpleasant subjects as cutting federal spending, he does so in a way that makes something most experts on the federal budget say would have to involve deep and painful cuts seem almost pain free. (NYT)

#### Draft Issue Is Costly in Time, If Not in Polls

DENVER — The continuing questions about Bill Clinton's Vietnam-era draft status have had no measurable impact on his standing in several polls. But aides admit that the controversy has had a dramatic effect on Mr. Clinton's campaign at a level that polls do not measure: time, attention and focus.

For weeks, concerns over the draft controversy have preoccupied Mr. Clinton's senior advisers, forcing changes in his schedule and often drowning out the themes he would prefer to stress.

Clinton supporters have urged him to stick to his economic message and avoid being distracted by the draft controversy.

But the distraction has been inevitable and has come at a particularly bad time for Mr. Clinton. He continues to lead President George Bush by wide margins in the polls. But the campaign's own polls corroborate what reporters have found in interviewing voters: Mr. Clinton has profited by widespread public rejection of President Bush but has not yet established a deeply committed following of his own.

To change that fact, Clinton strategists had hoped to use this period of the campaign to stress their candidate's program, finding ways to communicate to voters what it is Mr. Clinton stands for. But it is precisely that effort that often has been stymied by the draft controversy. "We've punched through on some issues," said Mr. Clinton's policy director, Bruce Reed. But, he conceded, the time spent worrying about the draft issue has carried "an opportunity cost." (LAT)

#### Bush Asked to Clean Up His Environment Act

WASHINGTON — The authors of a widely cited study that ranked Arkansas last in conservation policy and nearly last in environmental conditions criticized President George Bush for misusing the data to attack Governor Bill Clinton. "It's the height of hypocrisy," said Bob Hall, a co-author of the study, which was conducted by the Institute for Southern Studies in Durham, North Carolina. "George Bush has done a terrible job and has a dismal record on the environment. That is what is so cynical about his use of the report to slam the Green Index, is the first comprehensive ranking of environmental conditions and the strength of environmental laws in the states. The 22-year-old institute has sold 5,000 copies of the study since it was published more than a year ago. The study measured 236 indicators that range from pipeline leaks to the effect of environmental laws in ranking conditions and policies in the states.

This week, the president cited the index's ranking of Arkansas in a speech in which he also called for changes in the Endangered Species Act that environmentalists say would severely weaken the law's protections of threatened animals and plants.

"That was what did it," Mr. Hall said in an interview. "It seemed to have escalated in the past week. It was too cynical the way he was using this." (NYT)

#### Quote-Unquote

Roger Ailes, adviser to President George Bush, on the prospect of Ross Perot getting back into the presidential race: "If the guy campaigns in insane asylums he's going to get a big vote, but I mean he's — he's a nut case."

Mr. Perot, on Mr. Ailes's remark: "Well, number one, we have millions of supporters. Number two, if you want their support, I question that it's wise to say that they're all lunatics." (IBT)

#### Away From the Hustings

- The House approved an \$11.1 billion disaster aid package for Florida, Louisiana, Guam and Hawaii — all severely hit by recent storms. The bill was sent to the Senate, which has approved a package providing about \$10.5 billion. The chambers are expected to work out their differences and give final approval next week.
- The Mount St. Helens volcano erupted for four hours, spreading ash over several Alaskan communities, disrupting air traffic and prompting officials to close schools and issue health alerts. The eruption was the third since June.
- Fleeing a state to avoid child support payments would become a federal crime punishable by up to six months in prison for a first offense, under a bill approved unanimously by the Senate Judiciary Committee.
- State and national surveys of U.S. high school students show that almost half drink alcohol, about one-fourth smoke and one-tenth use marijuana, according to a report by the Centers for Disease Control in Atlanta.
- An international task force has added pork tapeworm illness to the list of diseases it believes can be eradicated, U.S. health officials said in Atlanta.
- "Carjackings" would become a federal crime punishable by up to 25 years in prison under a bill moving through Congress after a spate of armed automobile thefts.
- Librarians and educators, fearing they will lose their jobs, too often avoid controversial books in a silent form of censorship, a national library official said in Chicago.
- U.S. officials said they broke up a cargo theft ring that stole \$1.8 million worth of gold jewelry from the Lufthansa Air Cargo office at Los Angeles airport Sept. 8. (UPI, AP)

### DEFENSE: On Military Policy, You Can Barely Tell Bush From Clinton Without a Pencil and Scorecard

(Continued from page 1)

reliance on moderate — some would say hawkish — Democrats such as Les Aspin of Wisconsin, chairman of the House Armed Services Committee, and Sam Nunn of Georgia, chairman of the Senate Armed Services Committee. It also reflects Mr. Clinton's determination to inoculate himself against Republican charges that Democrats are "soft on defense."

"This is a pro-defense Democrat, but a pro-defense Democrat in the post-Cold War era," said Washington lawyer Samuel R. Berger, a campaign adviser in the Carter administration. "They'd love to run against George McGovern or Jimmy Carter or Michael Dukakis. Unfortunately, they're stuck with Governor Bill Clinton."

Mr. Clinton's military plan has its share of soft spots. His reluctance to cut the reserves, his advocacy of the V-22 and his support for building a second Seawolf attack submarine — which the administration tried unsuccessfully to cancel — strikes some critics as transparently political.

More importantly, campaign officials have offered only general descriptions of how Mr. Clinton would save \$60 billion in military spending, attributing \$10 billion to unspecified "inventory reform." The lack of detail has made Mr. Clinton vulnerable to Republican charges that he could not possibly pay for all the weapons programs he says he wants.

The inevitable result, Bush campaign officials say, is that Mr. Clinton will have to cut much more deeply into the military budget than he says he will.

"He goes around the country endorsing a whole series of weapons systems that make his proposed budget reductions impossible," said David Tell, policy adviser to the Bush campaign. "The choice he would have is between the weapons systems he has endorsed and the budget reduction targets that are central to his economic scheme."

Both candidates have largely skirted the issue of how they would pay for weapons programs now in the research stage that have huge production bills that will start coming due in the late 1990s. The Congressional Budget Office estimates that such "out-year" procurement programs could increase Pentagon spending by up to \$50 billion a year by the middle of the next decade.

Clinton campaign advisers con-

tend that it is Mr. Bush, not his Democratic challenger, who will not be able to pay for new weapons. They argue that only by cutting forces to the level Mr. Clinton has proposed would there be enough money left over for the Pentagon to modernize its arsenal.

In any event, they say, now is not the time to puzzle over fine print. "You have to look at this as a thematic, conceptual approach," said Mr. Berger. "I think it's unrealistic and unwise in a campaign to get locked into the seventh decimal point."

For now, Mr. Clinton seems to be devoting most of his public statements on military matters to allaying fears that Democratic

presidents make faint-hearted commanders in chief. "Our forces must be more mobile, more precise and more flexible, and they must have the technologically advanced weapons they need to prevail and to prevail quickly," Mr. Clinton said in Salt Lake City.

Echoing his congressional patrons, the Democratic candidate also has indicated that he supports a disputed plan to develop a system of ground-based, missile defenses aimed at protecting the country's midsection from accidental launchings or terrorist attacks.

If Mr. Clinton sticks to his plan, about the only Bush weapons program that would suffer grievous harm is the planned system of

space-based, anti-missile weapons known as Brilliant Pebbles, which along with associated programs would account for roughly \$15 billion of the \$60 billion savings.

Probably the most striking difference centers on how they would structure and deploy the nation's armed forces around the globe. Mr. Clinton, like Mr. Aspin, has argued for a "threat-based" approach tailored to limited "regional contingencies." The idea is to consider specific threats in the Gulf, Asia or elsewhere, then develop forces capable of dealing with them.

The result is that Mr. Clinton would sharply reduce the presence of U.S. troops in Europe — from 150,000 in the Bush plan to be-

tween 75,000 and 100,000 — shifting the emphasis to rapid deployment from U.S. bases. Mr. Clinton also would pare the number of aircraft carriers to 10 from Mr. Bush's planned level of 12.

Bush administration officials, however, say the world is changing too fast to tailor the nation's military power to a shifting map of global threats. The purpose of the base force, they contend, is to "shape" the post-Cold War environment by maintaining forces strong enough to fight two regional wars at once, uphold critical alliances and deter new challengers who might otherwise threaten U.S. interests or allies.

Mr. Bush campaign officials also

question Mr. Clinton's plans for a 10-carrier navy, which would force the Pentagon to abandon its goal of maintaining carriers on a nearly continuous basis in the Indian Ocean, the Western Pacific and the Mediterranean.

But military strategists can, and do, differ over what constitutes the best way to structure U.S. forces for a largely unknowable future. Richard L. Kugler, author of a Rand study, acknowledged as much when he said both candidates' plans "are responsive and responsible." He added, however, "this is a political campaign," and if Mr. Clinton gets elected, "it's only then that we would know the firm outlines of his policy."

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**Perot Makes The Ballot in All 50 States**

The Associated Press

WASHINGTON — Volunteers submitted petitions for Ross Perot's presidential candidacy in Arizona on Friday, completing a drive to put his name on the ballot in all 50 states.

The latest national polls say that up to 16 percent of registered voters say they will vote for Mr. Perot in a three-way race with George Bush and Bill Clinton.

The surveys indicate that Mr. Perot could reduce President Bush's support by 5 to 8 percentage points and Governor Clinton's by 7 to 10 points.

Mr. Perot's impact might be greatest in individual states, such as those once considered part of Mr. Bush's base, like Florida or Texas.

In a close race in which a protest vote for Mr. Perot drained off points from Mr. Bush, it could alter the arithmetic of the electoral college. Florida and Texas have 37 electoral votes between them; 270 electoral votes are needed to win.

"Perot could complicate Bush's life in some of these states," said a Democratic poll taker, Geoff Garm.

"All the evidence I've seen shows Mr. Perot's support is coming from disenchanted Republicans who can't bring themselves to vote for George Bush."

Mr. Perot's status as a candidate on all 50 ballots was locked up as supporters in Arizona submitted nearly 74,000 petition signatures to the secretary of state.

Asked about his plans on NBC Television Friday, Mr. Perot did not rule out re-entering the race.

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# Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

## Europe's Best Answer

### America Is Watching

The chaos that struck European financial markets was inevitable. European Community countries have linked their currencies in a system of fixed exchange rates. But they have also jealously protected their right to pursue irreconcilable domestic policies.

Germany borrowed huge sums to pay for unification, driving up interest rates. Britain, fighting off recession, desperately wanted to keep interest rates low. Money flowed into Deutsche marks and out of pounds, driving the pound below permissible levels. That inherent instability invited crisis.

This turmoil bears directly on the Maastricht treaty that France votes on this Sunday. The treaty calls for moving to a common currency as well as unifying foreign and defense policies. Even before this past week's financial collapse, the preconditions and timetables seemed unrealistic. Now they are transparently so. Nevertheless, Americans have good reasons to hope French voters endorse the treaty.

The United States has a strong stake in European integration; it would dampen historic rivalries, encourage international cooperation, and promote global prosperity. The Maastricht approach is not the only possible path to this goal, or even the best. Yet its defeat in the present pessimistic environment would risk sending Europe in the wrong direction.

What is vital to the United States is a prosperous Europe — productive enough to self-export-quality goods and wealthy

enough to buy plenty of U.S. exports. The exact nature of Europe's currency arrangement is not all that important. Experts hotly dispute whether Europe would be better served by fixed exchange rates, free-floating rates, or a single currency as called for in the Maastricht treaty.

The key to Europe's prosperity is completion of the program to eliminate internal barriers to the flow of goods, investment and people, which should happen by the end of year, regardless of the Maastricht treaty or this week's events.

The treaty will, in any case, need to be augmented to correct problems that have become manifest since it was negotiated last year. Lofty ideas about foreign policy coordination fell flat on their face when confronted with the real-world crisis of Yugoslavia. Differing refugee policies have intensified national tensions. And the fragile economies of Eastern Europe, now nearly three years into the difficult process of reform, remain dangerously outside the integration process.

No matter how the French vote comes out, these issues need to be grappled with. In theory, a "no" vote might simply send negotiators back to devise an improved treaty. But with Europe's economic mood turning sour and severe political problems afflicting several governments, the more likely result would be paralysis.

A "yes" vote, if taken as a mandate to keep making needed course corrections, would advance the health, and wealth, of Europe — and America.

— THE NEW YORK TIMES.

### The System Teeters

For Europe, the question will be whether and how to rebuild its monetary system. For the world in general, the upheaval in Europe has been another demonstration of the vulnerability of the arrangements on which much of its prosperity depends. By contrast, central bankers will be in Washington for the annual meetings that begin this weekend. More than in most years, they will be confronted with a case in which things went spectacularly and dangerously wrong.

The origins of this explosion lie in major policy decisions by governments, not in obscure technicalities. By the mid-1980s the United States was happily consuming far more than it produced. It provided a steadily expanding market for the rest of the world, in return for which the rest of the world financed American overconsumption. That pleasant arrangement was jolted when Germany, instead of raising taxes, began borrowing to pay the enormous costs of reunification.

It meant that, of the world's three great economic powers, two were borrowing from abroad in a big way. The third, Japan, became increasingly concerned with trouble at home and no longer supplied as much capital to foreign countries as before. That is why capital is scarce. The high European interest rates reflect a fierce competition for it between the Germans, who want to it

rebuild their newly liberated eastern states, and other countries, such as Britain, that want it for their own growth.

The European Community will undoubtedly try to defend and rebuild its monetary system, linking countries' currencies tightly together and preventing exchange rate swings from disrupting trade among them. The way they do it will be heavily influenced by the French referendum Sunday on the Maastricht treaty, which was to push them toward a single unified currency. Whether that is still possible is now in some doubt.

Over the past decade the European Community has been working on the assumption that linking the currencies would pull the member countries into increasingly similar economic policies on government spending, deficits and inflation. But national attitudes and traditions on these matters are deeply entrenched, and it turns out that governments cannot change them quickly. Some have not tried very hard. These differences in policy performance left some members' currencies weak, making them inviting targets for the past week's speculative attacks.

As they assemble here, finance ministers and bankers will doubtless have much to say on these subjects. But the larger point is that any orderly currency arrangements, and economic growth itself, will be in jeopardy as long as both the United States and Germany continue to be massive borrowers.

— THE WASHINGTON POST.

## Peace Can Save Somalia

Andrew Natis of the Agency for International Development, an experienced humanitarian official, told a House Foreign Affairs subcommittee this past week that the situation in Somalia was the most unacceptably tragic human suffering he has ever seen. He was only confirming what many people were already witnessing with their own eyes. The mass starvation, the daily dying and the barbarity being visited upon that country are not, however, cruel acts of nature. Somalia's horror is the handiwork of the country's armed and powerful. As Herman Cohen, assistant secretary of state for African affairs, told the subcommittee, Somalia is a manmade tragedy.

The crisis began some 18 months ago with Somalia's slide into anarchy following the forced flight of the longtime dictator, Mohammed Siad Barre. It is a country that is still controlled by warlords and clans who, by their guns, now get to decide who eats and who starves. Badly needed food sits for weeks in warehouses while disputes among feuding gunmen block its distribution. Supply ships stand offshore because the man port is not safe from roving armed bandits. The relief convoys are hijacked and the supply centers are looted. Armed young men are allowed to beat old people for having the nerve to beg for a few extra spoonfuls of rice.

The immediate issue is the safe delivery of relief supplies to the 4.5 million Somalis in desperate need of food and other assistance. The other states of the world, which once looked the other way, have finally begun to take action. The United States has led the way, shipping more than 80,000 tons of food already this year; that is more than half the international contribution. An additional 145,000 tons are scheduled for shipment beginning next month as part of the U.S. military airlift.

The first of a small contingent of 500 UN peacekeepers or food guards are being deployed to protect the port, airport, feeding sites and relief workers around the capital.

But none of this gets the food to the remote villages where it is most lacking. There is a need to send more UN peacekeepers to key areas in the interior, and the Security Council's approval of the dispatch of 3,000 troops to safeguard relief convoys is welcome. The international donor effort needs better coordination as well — though the work of private voluntary organizations has been heroic. But it will take more than food and medicine to stanch the loss of life. Reconciliation among the warring factions is essential to restore peace. Treating this phase of the manmade catastrophe of Somalia is now the greatest challenge.

— THE WASHINGTON POST.

## A Step Forward for Haiti

A promising step toward ending the lawlessness and violence that has afflicted Haiti for the past year has just been taken. With the agreement of representatives of both the ousted president, Jean-Bertrand Aristide, and the military regime that succeeded him, 18 international monitors are being deployed in Haiti. That is not nearly enough, but if Washington adds its own strong support to the monitoring effort, this small beachhead can be expanded to speed a return to democratic rule.

The initial 18 monitors, including four from the United States, come from a specialized unit of the Organization of American States. Their job is to aid in creating and strengthening civilian institutions. In

Haiti's case that could include expanding the civilian role in law enforcement, training the judiciary to show sensitivity to human rights, and protecting the beginnings of open political discourse.

All that will require more monitors than the OAS is now able to provide. But additional personnel could come from the United Nations, which monitored Haiti's 1990 election. Washington's support is crucial.

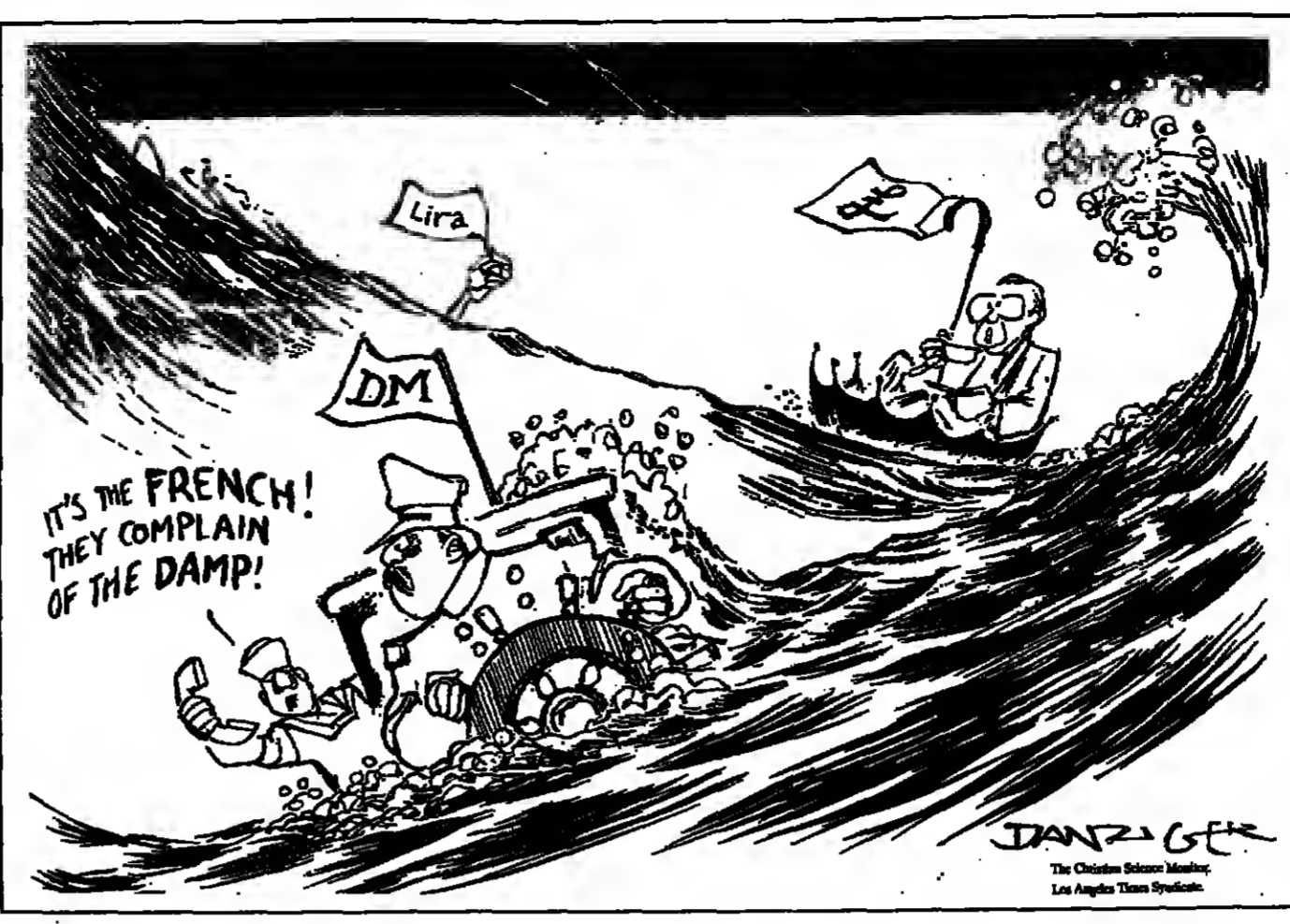
In sufficient numbers, monitors can restore some sense of security to Haiti, reducing the flow of refugees. They can create a propitious climate for negotiations to form a broad-based government, paving the way for the return of Father Aristide.

— THE NEW YORK TIMES.

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## Economic Nationalism Slips Loose Again

WASHINGTON — The European monetary crisis is ominous for all concerned, including the United States, if it signals that the post-World War II spirit of financial cooperation is now giving way to economic nationalism.

Europeans are once again behaving as they used to — as nationalists. Never mind Yugoslavia, the extreme example of the trend. Consider the behavior of the leaders of the European Community and Atlantic alliance, including the United States.

For a decade, the Europeans have planned to take the next big step in building a United States of Europe — an integrated economy, with a single currency. A single currency is the sine qua non of genuine economic integration and the ultimate challenge to vestiges of economic nationalism.

Two disruptive influences have intervened. Under Ronald Reagan and George Bush, the United States ran up debts and, to meet its huge borrowing requirements, scoured world capital markets for money. America offered sky-high interest rates to buy dollars and invest in the U.S. national debt. Meanwhile, America continued to burn OPEC oil in wholesale quantities, and since oil is priced in dollars, that also added a push to the artificial inflation of dollar values.

By the early to mid-1980s, Mr. Reagan's borrow-and-spend policies and a frivolous energy policy had produced the sky-high dollar. But they also made American goods very costly and stifled American exports. The result was, and is, record trade deficits

By Edwin M. Yoder Jr.

## The G-7 Handwriting Was on the Wall

WASHINGTON — No global crisis has ever been so well advertised as the current one: When the United States, Japan and Germany, driven by their own domestic needs, virtually abandoned the effort to coordinate monetary policy, the result had to be a major collision.

Every time the Group of Seven finance ministers met in the past two years, and came up empty-handed, it was another signal of disaster ahead. Every time the economic summit leaders promised to push the stalled GATT trade negotiations, and didn't, it was another nail in the coffin of the cooperative process. Without the "glue" that held them together to oppose the "evil empire," the so-called free-market powers found little in common to require continued, joint economic policy-making.

Europe accelerated its plan for a huge single market — as well as for a common currency, a unified central bank and political union. But this grand dream, based on a need to match economic strength in Japan and America, was doomed from the start by the basic differences in power, culture and long-standing antagonisms.

No one who has ever heard German, English, French and other European political leaders express their contempt for each other believed that the professional Eurocrats in Brussels could bring off true European unity.

"If there is no Maastricht treaty," a saddened European Community ambassador to Washington, Andrew Van Agt, told a group on Capitol Hill, "it would mean we in Europe would fall into a state of protracted malaise."

In a global environment not beset by other troubles, spas around major powers might have mattered less. But in a world still reeling from the effects of the dissolution of the Soviet Union, the Gulf War, ethnic warfare in the heart of Europe, recession in the United States and a troubled economy in Japan, discord at the top is serious business.

Nobody is now running the global store. And so far as can be told, nobody has a plan to do so. This past week's extraordinary chaos in European currency markets, forcing a major realignment within the European Monetary System that links them together, is only one element of a broader problem: Despite all of the technological advances of the modern era, economic growth is inadequate

By Hobart Rowen

rates rapidly upward. Those high interest rates put the same unusual premium on the Deutsche mark that the Reagan deficits of the '80s put on the dollar. But a huge demand for marks puts great pressure on other currencies, which speculators and investors need to invest in the great German debt. In other words, Chancellor Helmut Kohl borrowed a page from the Reagan playbook, though with the somewhat better excuse that his huge deficits are at least financing genuine investment — the rebuilding of the shattered East German economy.

These machinations would be volatile enough if this were still the old world of stodgy bankers in green eyeshades. In fact, we live in a wired world of electronic speculation. Currency speculators stay up all night watching minute fluctuations in currency values half a world away, buying and selling currencies to make money by trading in money. Their unproductive but profitable activities amplify the real economic effects.

There are always plausible excuses for self-serving policies that threaten other people's currencies, forcing them to take defensive measures that dampen economic growth. But one day things go too far, as they did the other day, and a whole scheme of currency cooperation lies in ruins.

The underlying strategy would seem to be the resurgence of economic nationalism and the abandonment of the spirit of 1945. What was that spirit? Under the tutelage of such giants as John Keynes, Winston Churchill and George Marshall, the World War II generation cast a rueful glance at the damage economic nationalism had done to the world between Versailles and Pearl Harbor and said "never again." They wanted to build an international order that would prevent a replay of the outbreak of 1920s and '30s.

But with the fading of Cold War fears and the lapse of historical memory the world seems to be slipping back into economic nationalism. It will work to no one's advantage.

Washington Post Writers Group.

## Is Europe Ready?

FOR YEARS, the major countries of Europe have maintained more or less fixed rates between their currencies to encourage trade and discourage inflation. But fixed exchange rates are simply incompatible with divergent economic performances.

Wildly fluctuating currencies are clearly symptoms, not causes — and adjusting parities or raising interest rates are inadequate solutions. The Europeans are suffering from the pains of giving birth to something that is radically new. Rarely have nations with such different cultures, languages and histories even considered surrendering national control to the extent envisioned in the Maastricht treaties.

It may be that these treaties with their targets of monetary and political union are too much, too soon. This is the opinion of more or less half of France's electorate, a majority of the Danes, almost all of Britain's Thatcherite Conservatives and countless others. Until these different interests are convinced that their future lies in forging a new European identity, recurrent financial crises are inevitable.

— Alan Stoga, managing director at Kissinger Associates, commenting in the Los Angeles Times.

## This Addiction Won't Just Go Away

NEW YORK — On my table are two documents that tell more about a critical American problem than the speeches of the presidential candidates do. And they tell something, too much, about how Americans deal with the problem.

One paper is another of those appeals for contributions to help fight addiction, from an infested neighborhood. Seventy-five percent of local crime is drug- or alcohol-connected. Suicides, arrests, a mother prostituting her children for drug money — that kind of thing you've heard a hundred times.

But maybe this is interesting: The appeal is not from some city ghetto but from the best-known swank town in the United States, East Hampton on Long Island.

Now we all know that the new plague of drug addiction, and the old one of alcoholism, tear at the life of the country — and that there is no exemption for any religion, color, any economic class, neighborhood or town, any family.

Americans knew that. But we manage to bury our knowledge until somebody's child is kidnapped by drugs or booze, or somebody we know is mugged by a junkie. Then we react, all right. We thank God it isn't us, and go about our business until it does become us, wherever our East Hampton is. Then other people thank God.

We haven't got the energy or instincts of self-preservation even to demand that our presidential contenders recognize addiction as a major issue and give us some real idea of how they propose to help the coun-

By A. M. Rosenthal

## 1892: Zola Under Fire

PARIS — The *Figaro* of this morning (Sept. 19) devotes three columns to a detailed criticism of M. Zola's last novel, *La Débâcle*, in which is narrated the events of the war of 1870 and its result, the capitulation after Sedan. The critic is one of the best known officers on the General Staff of the German Army, Captain Tanera, who was an eye witness of the majority of the events narrated by the great French novelist. His conclusion is that all the part of the book which is not military description is on a par with the other novels of Zola, but that the military portion is a conspicuous failure. "He has shown a want of one quality — respect for misfortune," Captain Tanera wrote.

## 1917: North Pole Flight?

NEW YORK — Arriving yesterday (Sept. 18) at an Atlantic port, Captain Robert Bartlett, of the steamship Neptunus which rescued the McMill-

## Britain Pays The Price Of Illusion

By Anthony Lewis

LANSING, Michigan — Reality has a way of catching up with illusionist governments. That has just happened in Britain. Americans may look at this story with foreboding.

Back in the 1960s, Britain had a master illusionist in charge, Harold Wilson, prime minister in a Labor government. I was there, and I remember his talk about "the smog of firm government" and "the white-hot technological revolution" that would make the British economy boom.

The Wilson illusion was shattered on Nov. 18, 1967, when Britain was forced to devalue the pound. The people who deal with money operate in the real world, and they saw that Britain was slipping economically in comparison with the other countries of Western Europe.

Memories of that time 25 years ago came back to me the other morning when I happened to be listening to a BBC news broadcast. It spoke of pressures on the pound but quoted government officials as saying there was "zero chance" of a devaluation. Hmm, I thought, that was what they said in 1967. By the end of the day, the pound had been cut loose from its moorings in the European Monetary System and effectively devalued.

Now the prime minister is a Conservative, Margaret Thatcher. But he is presiding over the wreckage left by another illusionist, Margaret Thatcher.

Lady Thatcher, as she now is, cast a spell as prime minister with her ideological certainty and scorn for the faint-hearted. She convinced

## Now America must start correcting its course.

many observers that she had put new vitality into British business and started an economic revival.

The truth is otherwise: bleak Britain is in a devastating recession. Unemployment figures have risen 28 months in a row. The poorest Britons have 5 percent less real income than they did a decade ago. Young people fresh out of universities are finding it difficult or impossible to get jobs. To many, the future looks grim.

The United States has recently been through what seems a boom period, the Reagan years. The gross national product rose sharply, and there was what Republicans called "remarkable job creation."

The boom about job creation was overdone. Total employment in America grew by a smaller percentage in the 1980s than in the 1970s or 1960s.

And the Reagan boom had a terrible price. It saddled the country — with an enormous national debt. It got the budget so far out of balance that no one really knows how to set it right. And what the nation most needs to increase, savings and business investment, actually fell.

George Bush's presidency has been dominated by bad economic news. This year, more than 500,000 jobs have been lost by American businesses, 167,000 of them in August alone. In 1991, more than 2 million Americans fell into the ranks of the poor.

Michigan, with its embattled automobile industry, exemplifies a peculiar phenomenon: the increase in income disparities in recent years. A report by the Center on Budget and Policy Priorities, in Washington, shows that the poorest fifth of Michigan residents lost 13.7 percent of their real income on average in the decade after 1979; the middle fifth gained 4.5 percent, and the top fifth gained 8.8 percent.

One might expect richer Americans to be content with such trends, but some are not. One of the striking aspects of the 1992 political campaign is the number of business leaders, Republicans, who have come out for Bill Clinton. Governor Clinton recently appeared in Silicon Valley with some of them, including the chiefs of Apple Computer, Oracle Systems and Hewlett-Packard.

I think those businessmen have seen what the future will be for the United States if it stays on its present course. The country will lose the technological leadership it still has. More and more manufacturing work will move abroad, and more Americans will have to settle for low-paid service jobs. As France's electorate, a majority of the Danes, almost all of Britain's Thatcherite Conservatives and countless others. Until these different interests are convinced that their future lies in forging a new European identity, recurrent financial crises are inevitable.

— Alan Stoga, managing director at Kissinger Associates, commenting in the Los Angeles Times.

## 1942: A Royal Low Tide

LONDON — [From our New York edition:] King George VI, other members of the royal family and everyone else at Buckingham Palace and Windsor Castle will bathe in no more than five inches of water from now on. This will be part of Great Britain's fuel conservation plan, in which King George is ordered a weekly bath in the royal household painted with a black or red line at the five-inch level and a notice posted calling attention to the necessity for fuel economy, the British Press Association disclosed today (Sept. 20).

سكزا من الأصل

صباحنا من الامل

Britain Pays  
The Price  
Of Illusion

gain

# Switzerland's new gateway to the world is wide open.

Swissair is proud to announce the official opening of its own terminal at Zurich Airport. We now welcome you to a new standard of hospitality which aims to make your time from check-in to take-off truly enjoyable. Of course, the passengers of our partners Crossair, Austrian Airlines and SAS are invited to use our new terminal as well. So what's new, apart from the special

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# Iraq Case: U.S. Aides Accused

## Atlanta Banker Seeks to Withdraw Guilty Plea on Loans

By R. Jeffrey Smith  
*Washington Post Service*

ATLANTA — Attorneys for a banker who has admitted illicitly financing Iraqi weapon purchases before the Gulf War is seeking to withdraw his guilty plea on the ground that the Bush administration hid evidence of involvement by more senior bank officials.

Judge Marvin H. Shoob of U.S. District Court, who has criticized

the way the administration handled its investigation of the Atlanta branch of Italy's Banca Nazionale del Lavoro, said he would announce Tuesday whether to accept a new plea of not guilty by the branch manager, Christopher P. Drogoul, and order the case to trial.

Citing news accounts and declassified government documents, Mr. Drogoul's courtroom attorney, Bobby Lee Cook, contended Thursday that Washington offi-

cials had known of complicity by senior Iraqi officials and senior officers at the bank's headquarters in Rome but had decided not to prosecute them for fear of angering Baghdad and embarrassing the Italian politicians who appointed the bank's board members.

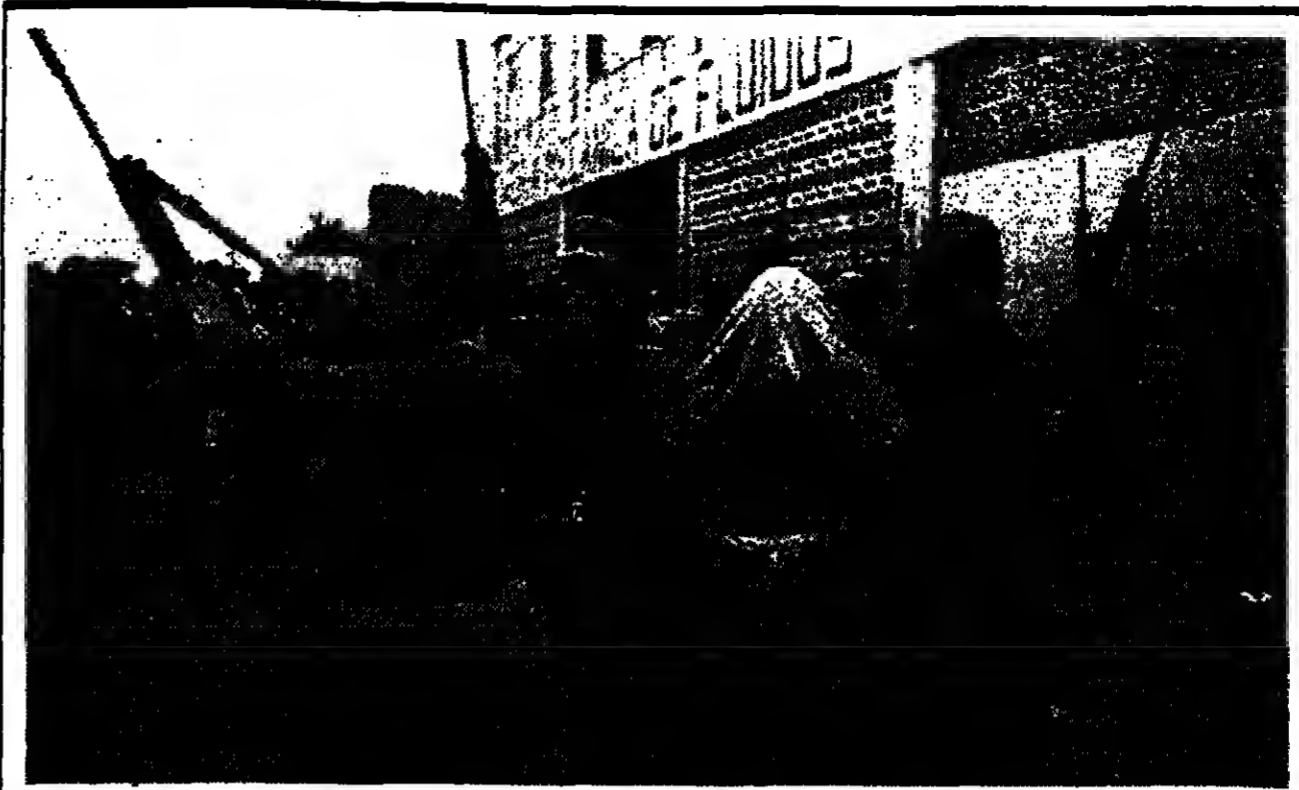
Judge Shoob said he was unlikely to allow the guilty plea to be withdrawn, but he made it clear that he would give serious consideration to the accusation leveled by attorneys for Mr. Drogoul that he was misled into admitting guilt in June to 60 counts of fraud and tax evasion.

The shift in Mr. Drogoul's strategy came on the fourth day of hearings that Judge Shoob ordered while deliberating on the banker's sentence. Both the government and Mr. Drogoul have used the hearings to debate the Bush administration's policy toward Iraq before and after the 1991 Gulf War.

The case has attracted considerable interest because of Mr. Drogoul's claim — improved so far — that the illicit loans to Iraq were known to and tolerated by the administration as part of an extensive effort to win favor in Baghdad.

His attorneys, hired after he dismissed the public defenders who had negotiated the guilty plea, have also charged that the administration improperly decided to make him the scapegoat in the illicit loan scheme and let more powerful participants off the hook.

In testimony earlier this week, Mr. Cook elicited an acknowledgment from government investigators that the Justice Department had barred their request to visit Italy and Turkey to inspect bank files or interview potential witnesses.



**UNDER WRAPS IN LIMA** — Soldiers in Lima caught two members of Shining Path after they scrawled graffiti extolling Abimael Guzman Reynoso, the guerrilla group founder, who was arrested Sept. 12. The police and military are on alert for reprisals.

### AMERICAN TOPICS

#### Customized Music At a Finger's Touch

Sheet music is now available by computer printout. The New York Times reports. For \$3.95, a new machine offers a choice of 2,100 best-selling songs of all kinds — pop, rock, soul, songs from Broadway and Hollywood, jazz, country, inspirational, Christmas or classical.

The device looks like a video-arcade game and works like an automatic teller machine, with touch-screen commands. The customer can select the desired arrangement, from easy-to-play piano to a full-dress organ solo. The machine also transposes any piece into the desired key, a savagely difficult task for all but expert musicians.

"Notation" as the machine is called, costs \$12,000 and is produced by a new company, Musicwriter Inc. of Los Gatos, California. The company already has orders for 90 machines and has started shipping them to music stores around the United States.

#### Short Takes

Brown University plans to raise money for 65 endowed chairs for assistant professors. Such chairs are usually reserved for full professors. Brown's president, Vartan Gregorian, said the endowed teaching positions would help the school compete for the best young scholars at a time when faculty shortages are expected. The endowment would provide funds for travel and research and the assistance of a graduate student. Linda Kay Pratt, president of the Association of American University Professors in Washington, said Brown was wise to prepare for short-

ages of professors, a projected result of budget cuts, retirements and increased enrollments. To her knowledge, she said, Brown's plan to endow junior chairs is the only one of its kind.

At a time when the Defense Department is paying members of the armed services to resign, the military is having trouble finding recruits, in part because of the widespread perception that new recruits are not needed. But they are, military officials say. While higher and middle ranks are being thinned out for a smaller, post-Cold War force, the services still need fresh blood to ensure that they are properly proportioned for the future. Although the other services are still attracting enough recruits, army enlistments are running about 10 percent behind schedule. The army hopes to bring in 85,000 new enlisted troops next year.

New York City plans to spend more than \$75 million over the next five years to provide an intelligible public-address system in most of its 469 subway stations. For generations, hapless riders have been subjected to announcements shouted by rough-voiced conductors and stationmasters, issuing from antiquated loudspeakers and reverberating off a station's tiled and concrete walls. A recent announcement, The New York Times reports, sounded like this: "Attenschhhhh (cough) kreeas the kkrmoim trainnnsch weell (crackle) srshhhhhoo." (Apparently, the Times guessed, the uptown train was delayed.) It does not help that the subway cars are among the world's loudest, as steel wheels grind against steel tracks. Denis R. Milson, an acoustics consultant hired for the overhaul, said, "The subway stations are a very, very hostile environment for any kind of a sound system."

Arthur Higbee

## Court Voids Senate Impeachment Of U.S. Judge on Bribery Charges

By Neil A. Lewis  
*New York Times Service*

WASHINGTON — In an unprecedented ruling, a federal judge has overturned the Senate's 1989 impeachment of a former federal

judge, Aleece L. Hastings, on bribery charges.

The federal district judge, Stanley Sporkin, said that procedures used by the Senate to strip Judge Hastings of his seat on the federal

bench in Miami were unfair and violated his constitutional rights.

Judge Sporkin's principal objection was that the Senate as a whole did not conduct a trial or consider the evidence against Judge Hastings but instead appointed a 12-member committee to consider the case. The committee then reported the evidence to the full Senate, which narrowly voted to remove Judge Hastings.

Saying the issue "will clearly be settled by the Supreme Court," Judge Sporkin did not order a retrial for Judge Hastings, specifically so the case can be appealed.

"The constitution explicitly states that an impeachment shall be tried by the Senate," Judge Sporkin wrote in his opinion. "This court holds that a trial by the Senate means by the full Senate and not by a committee of the Senate."

The 1989 impeachment proceedings came after Judge Hastings was acquitted eight years earlier in a criminal trial on charges that he accepted a bribe of \$150,000 to ensure that two men convicted of racketeering charges were not sentenced to jail.

Even though he was acquitted of the criminal charges, a special panel of his fellow judges considered the case and recommended to the Congress that he be impeached.

## Atom Test Limits Voted by Senate

The Associated Press

WASHINGTON — The Senate on Friday voted, 55 to 40, to restrict underground nuclear explosions and to end them in four years.

The plan would place a nine-month moratorium on nuclear weapons tests beginning next month, put limits on subsequent testing and impose a total ban beginning Oct. 1, 1996. The ban would be waived if Russia resumed testing after that date.

Administration officials said in August that President George Bush would veto any bill containing such restrictions.

## Senate Halves Cuts It Made on SDI

*Washington Post Service*

WASHINGTON — The Senate reversed itself and voted narrowly to restore half of the funds that it tentatively removed from the Strategic Defense Initiative a month ago.

Under pressure to break a deadlock holding up passage of the \$274.5 billion fiscal 1993 military

bill, the Senate voted, 52 to 46, to authorize \$3.8 billion for the missile defense program.

That figure was approved earlier Thursday by a sharply divided Appropriations Committee.

Approval of the higher figure came after a closer roll call of 50 to 48 on a procedural move to reverse the earlier vote.

President George Bush had sought \$5.3 billion for the program, which began a decade ago as space shield against Soviet nuclear missiles.

It has since been gradually whittled back to a more modest system of space, aerial and ground defenses against missile attacks in a post-Cold War world.

The House cut the figure to \$4.3 billion, the amount also recommended by the Senate Armed Services Committee.

But the Senate, in a rare defeat for the program in that chamber, voted, 49 to 43, last month to cut the allocation to \$3.3 billion.

Approval of the additional \$500 million came despite a just-released General Accounting Office report saying that SDI officials have repeatedly exaggerated the program's achievements in space experiments and flight tests.

## Poland Denies Auschwitz Entry Fee

*Reuters*

JERUSALEM — The Polish Embassy says its government lacks money to maintain the state museum at the former Nazi concentration camp at Auschwitz, but denies that it has decided to charge entrance fees.

The Israeli parliament speaker,

Shevach Weiss, complained to President Lech Walesa of Poland last week about reports that Poland planned to charge entrance fees at the camp.

The embassy in Tel Aviv said Poland had made no such decision, but "disastrous financial conditions" had prompted it to consider ways of raising money.

## Herald Tribune

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In the early morning hours of Monday, August 24, Hurricane Andrew devastated a huge swath of Dade County, Florida, in the region just south of Miami.

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Now, the people of Miami and Dade County are digging out, caring for each other, rebuilding their shattered community.

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The civic and business leaders of Miami and Dade County have come together to get this job done. We have formed a new organization called **WE WILL REBUILD**, led by many of our most committed citizens, drawn from all sectors of our wonderfully diverse community.

This broad-based effort has the full and active support of President George Bush, Governor Lawton Chiles and many, many Miamians dedicated to binding the wounds of today and building a better tomorrow for all our citizens.

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ART



André Villers, surrounded by his colorful cutout creations.

Secret Gardens: Cameras and Art

By Michael Gibson

PARIS—The conjunction was unusual. Here, expansive and glowing with enthusiasm, was the tall and pudgy David Douglas Duncan, photographer of Picasso and of war, and, beside him, the subject of this enthusiasm, slight and self-effacing André Villers, photographer and artist.

public last week for the first time. Over the past 40 years, Villers has made his reputation as a photographer of artists, writers and even of fellow photographers — a career no one could have foretold when he was a boy.

him an old camera and encouraged him to roam about town taking pictures. At least it would force him to walk.

the artist's face has been cut up into tiny squares and glued together in the form of a black-and-white mosaic.

Villers is currently having three exhibitions, two in Paris and one in Tokyo, and Duncan has just brought out a book entitled "A Secret Garden" (the title is also the publisher's), devoted to a cohort of some 150 brightly colored cut-out cardboard figures on which Villers has been working over the past eight years and which he was showing in

Fate decided otherwise. Young Villers had suffered from acute decastration as a result of war-time shortages and, in 1946, at the age of 16, with his spine badly damaged, he was shipped off to a sanatorium in Valauris. There he spent five years immobilized in a neck-to-knee plaster cast.

When it was removed in 1951, André was told he would have to learn to walk again. The staff gave

The Thierry Salvador Gallery (6 Avenue de la République, 75011 Paris) is currently displaying a large selection of Villers' portraits of César that give a good idea of the imaginative way in which the photographer approaches his medium: César's face is frequently superimposed on a variety of patterns and objects that evoke something of the artist's activities.

Duncan felt deeply stirred. The next day he was back with his camera.

Advertisement for Triangle Rive Droite Paris, featuring a map of Paris and contact information for FBG Saint-Honore Avenue Matignon.

They are for sale, which is as it should be. But looking at Duncan's book, one cannot help feeling it is a pity to separate them. Perhaps they ought to remain forever, crowded together, among the foliage, in the dusky garden where Duncan first photographed them.

Throughout his career, Matisse worked in divergent modes at the same time. His progress did not proceed by radical shifts of gear but rather in a seesaw manner, as he constantly pushed at experimentation and then seemed to recoil from his own daring.

The Many Faces of Matisse

Huge N.Y. Retrospective Captures His Complexity

By Michael Kimmelman

NEW YORK — If the landmark Matisse retrospective, which opens Thursday at the Museum of Modern Art, does not enthrall you, then probably no art exhibition ever will.

The story that unfolds in this show is extraordinary, and extraordinarily human, and it lays bare Matisse's restless, undisciplined mind. One arrives at the last galleries, flooded as they are with the brilliant colors of the large paper cutouts of the late 1940s and early 1950s to which he devoted his final energies, with the sense of having completed an epic journey — a journey that demanded to be told at such length and in such detail.

Only Picasso among 20th-century artists justifies such elaborate treatment, and he got it in the Modern's historic 1980 retrospective. Now it is Matisse's turn.

For most of the century, those two artists have been linked as the yin and yang of modernism, each defined by comparison with the other. It has hardly mattered that the comparisons distort or ignore the many points at which the two converge.

What the Picasso exhibition of 1980 underscored was the artist's protean creativity, so that the event in its incredible variety seemed almost to be several shows at once, with new twists at every turn.

ONE revelation of this retrospective is that Matisse is, in his own way, as varied and searching an artist. He was no less voracious, though less combative, in absorbing the lessons of art history, which in his case included Islamic and Japanese art, Giotto, Michelangelo, Chardin, Ingres, Courbet, Manet, Gustave Moreau, Renoir, Redon, Cézanne and Seurat, as well as Picasso.

He emerges as far more than a bourgeois painter of hedonistic reverie and counterpoint of pleasure — the Sultan of the Riviera, as he was once dubbed for his sumptuous and sensuous renditions of Nice during the 1920s, when France was convalescing from World War I and when so many European artists were retreating to a kind of conservatism.

Matisse is shown to be a tireless artist of complexity, ferocity and more than occasional strangeness, as in such cryptic and disturbing images as "Bathers With a Turtle." Especially with the austere, dark and rigorous paintings of 1913 to 1917, influenced by the Cubism of Picasso and Juan Gris and perhaps weighted down by the war, he skirted the edge of comprehensibility. After seeing the exhibition, one can begin to understand how this artist, who at the end of the century epitomizes elegance and coloristic mastery, could have been denied toward the beginning of the century as



"Zorah Standing" explores notion of the female figure.

a purveyor of ugliness and depravity. Matisse is not an easy artist. There have been plenty of Matisse shows in recent years, going back to the last great retrospective, in Paris in 1970, and including specialized examinations devoted to his drawings, to the Nice period, and to the works inspired by his trips to Morocco in 1912 and 1913.

Since its inception, the Modern in particular has lauded Matisse in numerous shows. What purpose, then, does this retrospective serve? For one thing, it comes at a time when the formal values of art have been challenged by a cultural scene in which political and social considerations are paramount. The Matisse show is a profound rebuttal to those who doubt the power of art on purely visual terms.

At the same time, the current attention to content in art helps to spotlight Matisse's subject matter,

which has often been played down in favor of formal issues like color. In the tradition of the Modern, the show's wall texts are inappropriately formalist in their emphasis. Yet, Matisse's obsessions with certain subjects are unavoidable. He was a painter of interiority — not only literally interiors but also in the sense of privacy and self-absorption. His works are full of mirrors and of people daydreaming or sleeping. He depicted women as objects of delectation; one prominent full-figured odalisque after another gazes absently back at the viewer.

There's an incredible, unnerving blankness to many of Matisse's models, as if they are lost in thought. Even his seascapes — like two curvy and unexpectedly dear, Munch-like images of Brittany from 1896, as well as a trio of beach scenes from the 1920s — are often lonely, unpeopled, reflective.

Matisse was also well known as a painter of paradise, a paradise redolent of nature. Sometimes he imagined it explicitly as a pastoral landscape from ancient mythology. But more often he conjured it through scenes of silvery light slanting across plush interiors or through countless evocations of botanical splendor.

The exhibition offers the most comprehensive overview yet of the artist's achievement, with more than 400 paintings, drawings, sculptures and other works spread across two floors of the museum.

Organized by John Elderfield of the Modern, it strives to give equal weight to each phase of Matisse's development as a painter, including those periods that have been undervalued, like the 1930s and 1940s. Drawings are plentiful. There are enough sculptures to prove how potent he was in this medium and to emphasize the important links between his paintings and sculptures, and between his sculptures and cutouts.

But the stress is unambiguously on paintings. A few famous works are missing because they are too fragile to travel or cannot be lent, among them "Music," "Luxe, Calme et Volupté," "The Joy of Life" and the "Dance" mural from the Barnes Foundation. Although unfortunate, these omissions ultimately prove insignificant.

For it is barely short of a miracle that the Modern was able to bring together as many of the great works as are here; many have never before been lent by their owners, like "Bathers by a River" from the Art Institute of Chicago, or have never before been seen in the United States, like "Dance II" from the Hermitage, in St. Petersburg.

What this retrospective does, which is a specialized study of a particular period like Nice or Morocco can do, is to demonstrate the interconnectedness of Matisse's career, the doubling back to ideas, the recurrent themes.

IN its breadth the show also makes clear why a cutout like "Zulma" from Copenhagen, should be considered important: because it synthesizes a notion of the female figure that had been explored again and again over the course of half a century in works like "Le Luxe," the "Bathers," "Zorah Standing," "Bathers by a River" and the "Pink Nude."

With "Zulma" the figure is reduced to essentials, a voluptuous form described in large, carving blocks of pure, radiant color. Matisse's goal of liberating color, of making it serve as both form and content, is clearly achieved here. Along with the other large cutouts in the show's grand final room, "Zulma" brings the exhibition to its exhilarating close.

If possible, this retrospective should be seen several times, not simply because of its sheer size but because many of the connections among objects and across decades reveal themselves only slowly and with patience.

The show remains on view through Jan. 12, after which a portion of it travels to Paris for an exhibition organized by the Pompidou Center focusing on the years from 1904 to 1917.

It is a triumph for Elderfield, the curator. Countless volumes have been published about Matisse. Yet as this exhibition demonstrates, he remains an inexhaustible subject.

Advertisement for Art & Auction, featuring the text 'Wherever You Find Art You'll Find ART & AUCTION' and details about international coverage and subscription information.

Advertisement for The 20th Century British Art Fair, held at the Royal College of Art, with dates 23-27 September 1992.

Advertisement for art & MIAMI, featuring contact information for Fair and Travel information.

Advertisement for Vienna, featuring the MAK Austrian Museum of Applied Arts and details about an exhibition program.

A crossword puzzle grid with clues listed on the left and right sides, including words like 'Hollywood Center', 'Wharton's The Innocent', and 'Fissile rock'.

Literary Manhattan crossword puzzle by John M. Samson, with clues such as 'One accepted for a job', 'Muffin', and 'Whirls'.

Solution to the crossword puzzle from Sept. 12-13, showing the filled-in grid.

Advertisement for Superior Galleries, featuring information about stamp exhibitions and contact details.

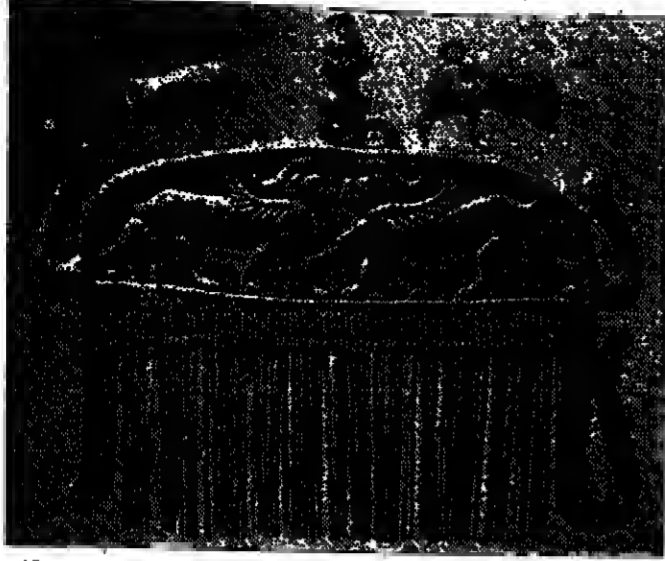
Advertisement for The International Antique Dealers Show, held at the Seventh Regiment Armory, with dates from Oct 24 to Oct 29, 1992.

Advertisement for Oct. Nov. Dec. Exhibition/Sale, featuring Japanese swords and sword fittings by Flying Cranes Antiques, Ltd.

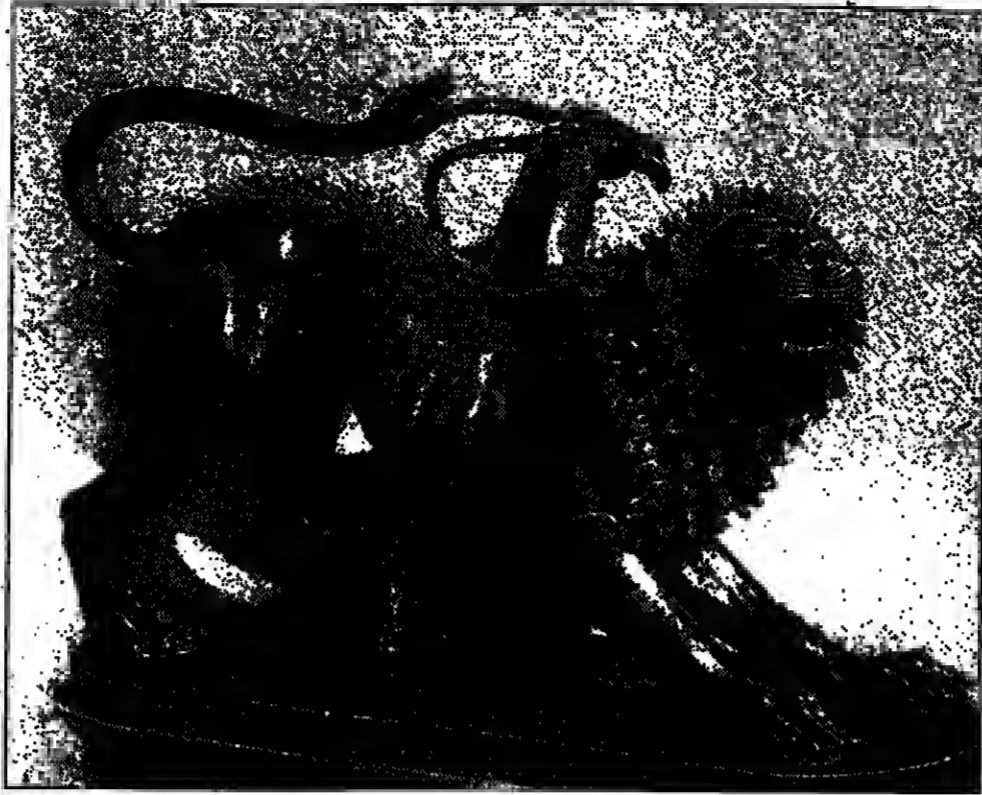
Handwritten Arabic text: 'هكذا من الأصل' (Like this from the original).



صكرا من الامم



Above, a 7th-century B.C. ivory comb from the "orientalizing phase" of Etruscan art. Mythical lion in cast bronze from the early 4th century B.C. and a detail from the cast bronze "Orator" of the late 2d century B.C. or 1st century B.C. Both pieces were bought in the 16th century by Cosimo de Medici.



## A Key Shift At Sotheby's

Furniture Expert Quits Full-Time Post

International Herald Tribune

**P**ARIS — Another star is leaving Sotheby's—part-time. Thierry Millerand, Sotheby's New York-based expert in top French furniture and decorative objects d'art, is due to announce shortly that he will be retiring from full-time service as of Jan. 1, 1993.

Millerand who celebrated on Sept. 15 his 20th anniversary at Sotheby's New York, would remain available to give expert opinions as a consultant and will stay on the board of directors. But he will no longer be running the department.

This would, in effect, deprive Sotheby's of a formidable negotiating force on a day-to-day basis. Credit goes to him for most of Sotheby's success in garnering major American collections of French furniture for sale. His personal standing in American and international circles ensured him a head start in any competition with Sotheby's arch rival Christie's.

Sources close to Millerand say he has wanted to leave for years. He is said to have staked high hopes for a while on the organizational skills of a top manager now effectively in control and appears to have been disappointed by the limited impact of the new management where his own field is concerned.

When asked for his reasons, Millerand mentioned weariness "after such a long time" and a desire to get away from the heavy burden of the daily running of affairs. Red tape has increased substantially over the years, "as in every business," he said.

There may, however, have been another factor in his decision to resign now rather than earlier.

**O**N Sept. 5, 1987, a scheme was set up by Sotheby's that allowed its top managers and directors to acquire optional shares at \$3 a share, later divided into two shares for \$3. They were entitled to start reselling the first third as of Sept. 5, 1990, thus giving them the opportunity of making a huge profit. They had to wait until Sept. 5 of this year before they could start selling the final third of shares.

A man of Millerand's rank would hold tens of thousands of shares. He had good reason not to go before Sept. 5.

Selling now, rather than losing his rights to the last third by leaving before Sept. 5, should allow him a self-administered golden handshake.

The question now is whether others may be tempted to follow suit.

Souren Melikian

## In Etruscan Art, Clues to the Renaissance

International Herald Tribune

**P**ARIS — With a labyrinthine display and an unrivaled catalogue, the most important archaeological exhibition for understanding the cultural past of Europe opens Saturday at the Grand Palais.

Not that the exhibition, which runs until Dec. 14, resolves the enigmas surrounding the Etruscans, their culture and their art. These remain almost intact despite the five centuries of passionate interest that first awoke in Renaissance Italy. How the remarkable people who founded cities all over Tuscany—which owes its name to them—emerged as the only major Western civilization using a non-Indo-European language is unexplained.

Things might be easier if that language, written down in an adapted Greek alphabet borrowed from a Hellenic settlement in the area, was fully understood. But only short set formulas can be made out. The longer Etruscan texts, of a religious nature, elude us.

The down-to-earth Romans were fascinated by their northern neighbors. Livy reported that by the 4th century B.C. the aristocracy would send its sons to Caere, the Etruscan town nearest to Rome, to study their literature. As the process of assimilation into Latin culture neared completion in the 1st century B.C., bilingual writers frantically embarked on an all-encompassing translating activity. Only the titles survive to bear witness to their effort.

Perhaps some of the works held the key to the second great enigma of Etruscan culture, which comes out in some of the most beautiful ob-

jects: the reasons for the strong Middle Eastern connections.

Some links were probably established indirectly through Central Europe. Bronze-domed helmets of the 9th and 8th centuries B.C. with sinuous profiles tapering to a point ultimately go back to models that appear in Anatolia as far away as Urartu, later historic Armenia. Horsebits with cross bars going through horse-shaped cheek-pieces are astonishingly close to those of Livistian in western Iran. But by the 7th century B.C., during the so-called "orientalizing phase," contacts must have been very direct and multiple. Scholars still debate the provenance of a shallow silver bowl, with relief friezes in the Phoenician style itself marked by Egyptian influence. It could be an import, or the work of Phoenician craftsmen in Etruria.

Etruscan culture and art must have been remarkably vigorous and self-confident. The aptitude of the Etruscans at assimilating the Eastern influences and recasting them in their own aesthetic language is striking. One of the early masterpieces in the show, a circular cover in repoussé bronze sheet of the 7th century B.C., with four animals walking counterclockwise, is closely related in composition and general conception to a group of 9th-century B.C. Lyurian bronzes. As a work of art, it is as different as a Renaissance Flemish bronze might be from its Italian model.

There is no way of knowing how the Etruscans came to turn away from Eastern models and switch to archaic Greece. Some Greek artists obviously worked on the spot. The quantity of Greek vases that has come out of Etrus-

can tombs in the last two centuries is staggering. It includes a priceless document in the show, the only known representation of a bronze-making workshop painted on the underside of an Attic footed bowl.

As apparent Hellenization developed, the vigor of the Etruscan personality came out once again. There is no Greek model for the famous terra-cotta sarcophagus of the late 6th century B.C. with a couple reclining on a couch, which

### Souren Melikian

is now in the Louvre. The smile of the woman has a hypnotic insistence that has a different nuance to it from that of archaic Greece, including Cyprus, to which it comes closest. The great 16th-century draftsman and founder of modern art criticism, Vasari, already admired the expressiveness of Etruscan art and celebrated its superiority. Marco Cristofani makes fun of this judgment, which does not agree with received ideas in the academic world.

But as one walks through the fascinating section of the exhibition dealing with the discovery of Etruscan art that started in the late early 15th century, one sometimes feels tempted to share Vasari's view. The roaring lion with the head of a goat springing out of its belting back, which was unearthed in Arezzo in 1553 and bought by Cosimo de Medici, is unique in Antiquity. Its expressiveness is unquestionable. And so is, too, on closer inspection, that of the face of the other, most famous Etruscan bronze, the statue of the "Orator," which Cosimo

bought in 1566, convinced that he was acquiring the portrait of Scipio.

The face of the Etruscan man is unlike any Roman portrait. With one eyebrow slanting and the other slightly more curved, the mask conveys a mixture of tense energy and unguished uncertainty. It has an introspective quality that brings it closer to modern times than most of Roman art. Indeed, a close examination of the later works of Etruscan sculpture in their superficially Hellenized and later Romanized guise, from the 4th century to the 2d century B.C., leads to a discovery: The true source of Renaissance sculpture is Etruscan art much more than Roman art.

One of the most striking pieces in the show is the bronze figure of a child found in Tarquinia in 1771. Seated with one leg and one hand laid flat on the ground, the child looks up with a smile of shining intelligence, one eyebrow raised slightly more than the other, and his fleshy lips pressed together. Cast around 300 B.C., the bronze has the expression of a Florentine marble of the 15th century.

Not far away, the swaddled figure of a baby made as a votive terra cotta two centuries later, retains that Etruscan smile. This time, it has a touch of repressed pain faintly reminiscent of some Donatello low relief. Elsewhere, a group of bronze figures from Falterona displays a striking modernity of feeling in the facial expressions and even the body language. A young warrior in lamellar cuirass, with a shield strapped to his wrist, stands with his head slightly averted but gives the viewer a searching look. Another, stocky and muscular, stands

helplessly. With his head tilted to one side, his lips slightly drawn downward as if by deep distress, the moored squint to one eye, the man exudes inner tragedy in a manner as alien to Rome as it is to Greece. This is very much a late Renaissance feel.

**O**THER parallels suggest themselves between Etruscan art and medieval art in Italy. A draped feminine figure of the early 4th century B.C. that once belonged to Christine de Lorraine leans her head on her shoulders, eyes closed, with an expression of intense suffering. With the other hand laid flat on the ground, she supports herself, a living image of shaking despair like some Gothic statuette of the 14th century. Christine de Lorraine may have liked these anticipations of medieval art in the bronzes of Etruria. One group dating from the 5th century B.C. shows two standing winged characters holding the rigid body of a dead warrior. It conjures up the vision of some Gothic reliquary in silver gilt with winged angels.

These are probably not the most beautiful works. They fall far behind archaic bronzes such as the standing warrior cast solid around 520 B.C. With its imperious smile illuminating the head slightly thrown back and the expression of certainty that emanates from it, the bronze ranks among the great masterpieces of world art. But the sculpture that seems to have inspired the Renaissance is the most intriguing and perhaps the most moving. We never knew that the roots of what historians called Modern Times struck quite so deep.

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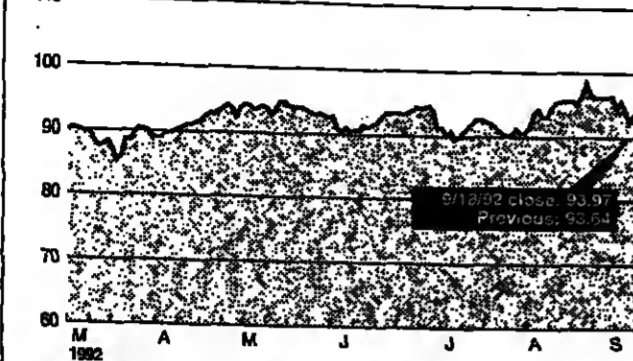
# BUSINESS

International Herald Tribune  
Saturday-Sunday, September 19-20, 1992  
Page 11



## THE TRIB INDEX: 93.97

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

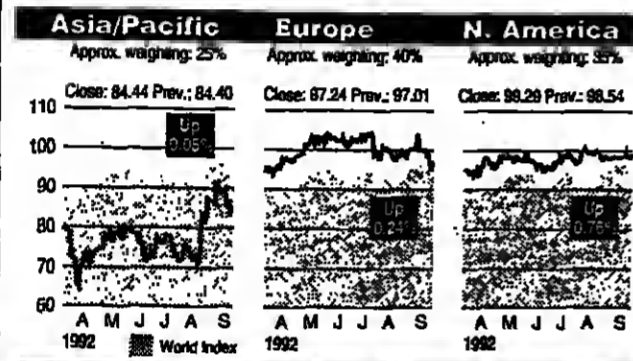


Table with 3 columns: Asia/Pacific, Europe, N. America. Rows include Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

## ECONOMIC SCENE

### As Hard Times Arrive, Old-Time Toys Return

By Eben Shapiro  
New York Times Service  
NEW YORK — A wave of nostalgia is sweeping toyland, where high-technology video games no longer rule store shelves or children's wish lists. In their place are favorites of bygone days — jacks, jump ropes, marbles, trolls. To take advantage of this passion for the familiar, toy companies are feverishly poring over old catalogs, searching for toys that can be profitably resurrected. Thus the rebirth of Creepy Crawlers, the rubbery bugs made by pouring Plasti-Goop into a mold, and the larger, 12-inch (300-millimeter) models of GI Joe, who last saw action at this size in 1978. Behind the back-to-basics movement is the weak economy: Many of the newly revived toys are inexpensive — priced at less than \$10, compared with the major capital expenditure program needed to finance a child's start-up in electronic games. That makes parents and grandparents — the toy buyers — very happy. And they hope the children will go along, perhaps lured by the charm of playing with the same toys their parents did. "I used to play with trolls when I was little," said Edie Sullivan of Bellevue, Washington. "Trolls are nonsexual, nontreating and portable." Mrs. Sullivan's 6-year-old daughter, Carly, is enchanted by trolls. "I want to be a cheerleader," said Carly, the proud owner of 17 trolls, some of which dress like cheerleaders. Carly's sister, 9-year-old Jenny, owns 41. Michael Goldstein, vice chairman of Toys 'R Us, the biggest U.S. toy retailer, said: "In recessionary times, people tend to buy things that are simpler and that they are accustomed to. People are more averse to taking risks. Marketing specialists say the toy industry is responding to the same cautious consumer mind-set that has made Gap Inc. one of the America's fastest-growing retailers. The Gap recently introduced a line of coats based on the letter jackets popular in the 1950s. "I don't want to say trolls — but toys are simply a reflection of the times," said Saul Gornman, executive vice president of Ace Novelty Co., the nation's largest seller of trolls, which were big hits in the 1960s. There are demographic reasons as well. The main toy buyers are the baby boomers, who have made a near religion of worshipping and recycling the music and television shows of their lost youth.

## Kohl Ripostes to New Dart From U.K.

By Brandon Mitchener  
International Herald Tribune  
FRANKFURT — Sharp clashes over who was to blame for the European currency crisis further strained relations between Britain and Germany on Friday, with both Chancellor Helmut Kohl and Prime Minister John Major publicly rebuking the other. Mr. Kohl publicly rebuked Britain's chancellor of the Exchequer, Norman Lamont, for calling for German policy changes, while Mr. Major, who has prided himself on his good relations with Mr. Kohl, implicitly criticized Germany by stating that European monetary policy must not run for "any individual country." One of Mr. Major's senior ministers, Michael Heseltine, the minister for trade and industry, was less restrained. "I don't think there is any serious doubt that the remarks attributed to the president of the Bundesbank triggered the turbulence which led to us suspending our membership in the European exchange-rate mechanism," he told reporters in Smeetham, northern England. He referred to comments earlier this week by Helmut Schlesinger that were interpreted as meaning the pound was ripe for devaluation. The debate spilled over into the usually staid German press with a vengeance. Newspapers railed around the Deutscher Mark and displayed delight at the difficulties confronting the country's accusers. Mr. Lamont began the latest round of recriminations by telling the BBC that the re-entry of the pound into the exchange-rate mechanism could be contingent on changes in German monetary policy. "We want to be satisfied that German policy, which has produced many of the tensions within the ERM, is actually going to have some changes and be able to operate within a more stable environment," he said. His remark was seen as a coded demand for a cut in German interest rates. While not entirely pleased with Germany's tight monetary policy himself, Mr. Kohl came to the Bundesbank's defense by telling Mr. Lamont to keep such statements private. In a crisis meeting with the Italian prime minister in Florence, Mr. Kohl said Mr.

## Canary Wharf Pullout

American Express is preparing a lease termination notice to protect its legal rights. Ms. Drew said, including the recovery of the £22 million. A Canadian judge lifted an order on Sept. 2 that had blocked American Express from pulling out of what is Europe's largest office development, Ms. Drew said. American Express had planned to pool its staff of 1,500 and consolidate its British operations in the Canary Wharf building. The company will now stay in its Brighton headquarters. There was speculation Friday that American Express' decision might increase the chances of other tenants canceling leases. Leases have been signed on 80 percent of Canary Wharf's first phases, but only 14 percent of the tenants are installed. In June, Texaco Inc. said it would delay indefinitely moving its London offices to Canary Wharf because of questions about the development's future. Olympia & York sought bankruptcy court protection in May for Canary Wharf and its Canadian properties after talks with bankers collapsed. The company, once considered the world's biggest property developer, has \$17.5 billion in debts and posted a loss of \$2.1 billion last year. (AP, Bloomberg)

## Swedes Discover the Costs Of Defending the Krona

Stockholm — Sweden's largest bank charged customers with overdrafts a staggering 550 percent penalty on Friday, and debt-laden companies were also casualties of the battle to support the ailing krona. The Riksbank, Sweden's central bank, left its marginal lending rate at a record 500 percent at least until Tuesday, a move that currency traders said should defend the krona against speculation at least temporarily. "I think the battle for the krona is over for the moment. The sharks have not managed to sink their teeth into Sweden," said Olev Trygg, an economist at SwedBank. Separately, the engineering and construction company Skanska AB said that exceptionally high interest rates were costing it an extra 100 million kronor (\$17.4 million) a day and will have cost it 400 million kronor by Monday. The company said it would speak to the central bank about the consequences of its policies for those holding government bonds who have no interest in currency speculation. Swedish authorities were holding emergency talks on how to cut a soaring budget deficit, the main cause of the market's lack of faith in the krona. "We have chosen our path and there will be no devaluation," said Lars Christianson, a spokesman for Prime Minister Carl Bildt. Mr. Bildt said the cuts would be the largest in Sweden's history. Standinaviska Enskilda Banken said customers who overdraw their personal accounts without a prior agreement would from now on pay an annual rate of 500 percent, or 1.5 percent each day. "We cannot know in advance whether our customers are going to overdraw," a bank spokesman said. "If they do, we have to borrow from the Riksbank at 500 percent. That's why we have put the penalty so high." Sweden's high interest rates were causing severe problems for local authorities, companies and individuals even before the latest sharp rises. Jokkmokk, a small Lapp-speaking community in the Arctic Circle, announced this week that it was bankrupt and could neither pay its employees nor provide public services. (Reuters, APX)

## Currency Chaos Casts Cloud Over Weekend G-7 Meeting

Paris — It now seems like ages ago, but it was only Monday that leaders in all the Group of Seven industrial nations were celebrating Germany's cut in interest rates. "This is a pretty good example of successful policy coordination," a senior U.S. official crowed on Monday, describing the move as a victory for the Bush administration's previously ineffectual efforts to stimulate world economic growth. G-7 finance ministers and central bankers meeting in Washington this weekend finally would have something good to talk about. Then all hell broke loose. Now, after the wildest week in currency markets in decades, during which both the British pound and the Italian lira were cut free from the European Monetary System, the meeting on Saturday of the top economic officials of the seven largest industrial powers is not looking so promising. Hopes that the G-7 — which comprises the United States, Japan, Germany, France, Britain, Italy and Canada — might use the German rate cut to provide economic leadership have turned to dust. Confidence in the G-7's management of the world economy, already low, has plunged further. The central economic problem plaguing the globe has been weak growth and burdensome debts, exacerbated by the huge gap between low interest rates in the United States and high rates in Germany. As the gap widened, the dollar fell and the Deutsche mark rose, straining Europe's fixed-rate currency system to the breaking point. This week, it burst apart. So now, instead of patting each other on the back, some of the G-7 officials who will gather Saturday are barely on speaking terms. British and German leaders have been throwing accusations back and forth. The French will not know what to say to anybody until after the Maastricht treaty referendum on Sunday. And U.S. officials have little to fall back on but their traditional bromides. "Amid Europe's response to the currency turmoil this week lies the solution to strengthened European growth," said Treasury Secretary Nicholas F. Brady in a speech on Friday. "Lower interest rates

## Four Bankers Charged in BCCI Case

Washington — In a development that could affect the ongoing trial of the Washington lawyer Clark M. Clifford and Robert A. Altman, the Justice Department said four former officials of the National Bank of Georgia had been charged with fraud and other crimes in the BCCI case. One of the four officials, William Batasini, a former senior vice president and controller of the bank, could be an important witness in the trial Jan. 4 in New York of Mr. Clifford and Mr. Altman, according to sources familiar with the case. The other three charged Thursday are in the Middle East and outside the reach of U.S. authorities. Alleged involvement in the 1987 transaction in which First American Bankshares Inc. bought National Bank of Georgia is the cornerstone of state and federal indictments brought last month against Mr. Clifford and Mr. Altman. The two have pleaded not guilty to charges that they hid to bank regulators about the illegal ownership of First American, which they headed, by the Bank of Credit & Commerce International. Thursday's indictment names Mr. Batasini; Ghazi Pharaon, a Saudi businessman who is the bank's former owner; Tariq Jamil, a former officer of National Bank of Georgia; and Swaleh Nagvi, the former top officer of BCCI. The charges, brought by an Atlanta grand jury, include bribery, money laundering, misuse of bank funds and conspiracy to defraud the Internal Revenue Service. Mr. Batasini, 41, who once was an agent with the IRS, worked for National Bank of Georgia from 1980 to 1987. During that time, he was instrumental in the sale of the bank to First American, according to the indictment. Afterward, he left to work for a Pharaon holding company, InterKode Inc. The seven-count indictment alleges that Mr. Batasini received a \$95,000 payment from BCCI officials Mr. Jamil, Mr. Nagvi and Mr. Pharaon for favors he performed for BCCI. On one occasion, the indictment alleges, Mr. Batasini used \$500,000 in National Bank of Georgia deposits to pay interest on a personal loan BCCI had made to Mr. Pharaon. In exchange, he received a \$95,000 payment, on which he did not pay taxes, according to the indictment. Among the central allegations in both the New York and federal indictments against Mr. Clifford and Mr. Altman is that BCCI officials illegally engineered the purchase of the Georgia bank through the two lawyers. In return for being part of that conspiracy, Mr. Clifford and Mr. Altman allegedly received millions of dollars in secret loans from BCCI on favorable terms, which they did not report to federal regulators. The Atlanta-based bank and various figures associated with it also were central to Mr. Clifford's and Mr. Altman's initial involvement with First American. The Atlanta banker Bert Lance, former director of the Office of Management and Budget under President Jimmy Carter, acted as a consultant to the BCCI founder, Agha Hasan Abedi. Mr. Lance introduced Mr. Abedi to Clifford and Altman, who became attorneys for BCCI when the foreign-owned bank attempted to take over Washington's Financial General Bankshares Inc. Luxembourg-based BCCI was closed last year by regulators around the world.

## Daily News Says Zuckerman Has Deal

New York — Mortimer B. Zuckerman, the New York real estate developer and owner of U.S. News & World Report, has become all but assured of acquiring the Daily News. But the paper's board endorsed his proposal on Wednesday, and the negotiating logjam with the guild was cleared away Thursday. A final understanding will probably not be reached until next week. With the endorsement by the newspaper's board and the unions, including tacit approval from the guild, many of those in the negotiations said it was unlikely that anything could derail Mr. Zuckerman's bid to acquire the Daily News. "As far as we're concerned," said James P. Willis, editor and publisher of the News, "it's done." For the beleaguered Daily News, the selection of Mr. Zuckerman, 55, would be expected to raise the curtain on an era of rebuilding after a disastrous strike two years ago and the unexpected death last year of Robert Maxwell, the paper's owner, whose financial collapse pushed the News into bankruptcy. The proposed deal would bring the News a new color printing plant and a buyer wealthy enough to finance ambitious changes. In exchange, the unions would give Mr. Zuckerman significant workforce reductions, and he would invest little in his own cash. His actual cash outlay, while still undetermined, seems to be between \$16.5 million and \$17.5 million. Mr. Zuckerman's deal will eventually reduce the News's work force, which was already cut when Mr. Maxwell acquired the paper, by 25 percent more, but most of that will come after the color plant is built in two years. The arrangement gives Mr. Zuckerman the incentive to build the plant and gives the unions more assurance that such a plant, which is considered essential to The News's survival, will be built. Changes at The Times The New York Times Co. said Thursday that Lance R. Primis had been promoted to president and chief operating officer and that Walter E. Mattison, who had held those positions since 1979, had been named vice chairman. The two men will join Arthur Ochs Sulzberger, the chairman and chief executive, in a newly created office of the chairman, Mr. Sulzberger said.

## CURRENCY & INTEREST RATES

Table with columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates. Includes various financial data points and interest rates.

## Other Dollar Values

Table with columns: Currency, Par \$, Par 5, Par 10, Par 20, Par 50, Par 100. Lists exchange rates for various currencies.

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Advertisement for Fidelity World Fund, Societe d'Investissement a Capital Variable. Includes details about the fund, annual general meeting, and contact information for Fidelity Investments.

MARKET DIARY

Triple Witching Inflates Trading

NEW YORK — U.S. stocks rose Friday in active trading spurred by the quarterly expiration of stock-index options and futures and options on individual stocks. The Dow Jones industrial average gained 11.35 points to close at 3,270.5.

POUND: No Rapid ERM Return

(Continued from page 1) However France votes on Sunday on the union plan. Mr. Reviglio said that the crisis showed a "two-speed Europe" was already a fact and that some European Community partners were going to need more time to get their economies into shape.

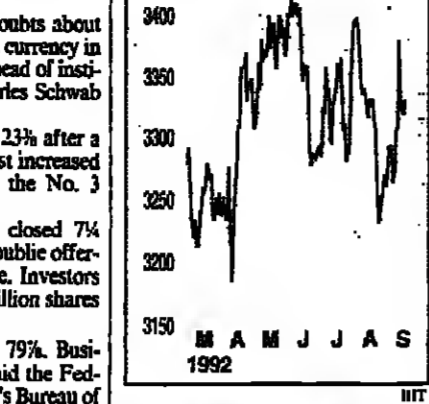
Foreign Exchange

The chancellor of the Exchequer, Norman Lamont, unobscuredly favored the New Jack in describing Britain's new approach. "We will set monetary policy in this country to meet our objectives and it will be a British economic policy and not a British monetary policy," he said.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Singapore, Stockholm, Toronto, Zurich, and others. Columns include market name, index value, and change.

The Dow



NYSE Most Active

Table of NYSE most active stocks including General Electric, IBM, and others. Columns include stock name, volume, and price.

AMEX Most Active

Table of AMEX most active stocks including American Express, American International, and others. Columns include stock name, volume, and price.

NYSE Diary

Table of NYSE diary including advanced, declined, and total issues. Columns include category, volume, and price.

AMEX Diary

Table of AMEX diary including advanced, declined, and total issues. Columns include category, volume, and price.

NASDAQ Diary

Table of NASDAQ diary including advanced, declined, and total issues. Columns include category, volume, and price.

Dow Jones Averages

Table of Dow Jones averages including Industrial, Composite, and Finance. Columns include index name, value, and change.

Standard & Poor's Indexes

Table of Standard & Poor's indexes including Industrials, Composite, and Finance. Columns include index name, value, and change.

NYSE Indexes

Table of NYSE indexes including Composite, Industrials, and Finance. Columns include index name, value, and change.

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Table of NASDAQ indexes including Composite, Industrials, and Finance. Columns include index name, value, and change.

AMEX Stock Index

Table of AMEX stock index including Composite, Industrials, and Finance. Columns include index name, value, and change.

Dow Jones Bond Averages

Table of Dow Jones bond averages including 10 Year, 30 Year, and 1 Year. Columns include bond name, value, and change.

Market Sales

Table of market sales including NYSE 4 a.m. volume, NYSE 4 p.m. volume, and NASDAQ 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table of N.Y.S.E. odd-lot trading including Buy and Sell volumes for various months.

S&P 100 Index Options

Table of S&P 100 index options including Call and Put options for various months.

EUROPEAN FUTURES

Table of European futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).

Food

Table of food futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).

Metals

Table of metals futures including ALUMINUM (MTR), COPPER CATHODES (MTR), and LEAD.

Stock Indexes

Table of stock indexes including FTSE 100 (LIFPE), DAX 200 (LIFPE), and EURO STOXX 50 (LIFPE).

Financial

Table of financial futures including 3 MONTH EURO DOLLARS (LIFPE), 6 MONTH EURO DOLLARS (LIFPE), and 9 MONTH EURO DOLLARS (LIFPE).

Grains

Table of grain futures including WHEAT (CBT), CORN (CBT), and SOYBEANS (CBT).

Metals

Table of metals futures including H1 GRADE COPPER (COMEX), SILVER (COMEX), and GOLD (COMEX).

Livestock

Table of livestock futures including CATTLE (CME), PORK BELT (CME), and HOGS (CME).

Financial

Table of financial futures including U.S. T-BILLS (CME), U.S. TREASURY (CME), and U.S. TREASURY (CBT).

Food

Table of food futures including COFFEE (CME), SUGAR (CME), and WHEAT (CME).

Stock Indexes

Table of stock indexes including NYSE COMPOSITE INDEX (NYSE), NYSE INDUSTRIAL INDEX (NYSE), and NYSE FINANCIAL INDEX (NYSE).

Commodity Indexes

Table of commodity indexes including MEAT & LIVESTOCK (CME), GRAIN (CBT), and METALS (COMEX).

Market Guide

Table of market guide including Chicago Board of Trade, Chicago Mercantile Exchange, and New York Futures Exchange.

U.S. FUTURES

Table of U.S. futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).

Food

Table of food futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).

Metals

Table of metals futures including ALUMINUM (MTR), COPPER CATHODES (MTR), and LEAD.

Stock Indexes

Table of stock indexes including FTSE 100 (LIFPE), DAX 200 (LIFPE), and EURO STOXX 50 (LIFPE).

Financial

Table of financial futures including 3 MONTH EURO DOLLARS (LIFPE), 6 MONTH EURO DOLLARS (LIFPE), and 9 MONTH EURO DOLLARS (LIFPE).

Grains

Table of grain futures including WHEAT (CBT), CORN (CBT), and SOYBEANS (CBT).

Metals

Table of metals futures including H1 GRADE COPPER (COMEX), SILVER (COMEX), and GOLD (COMEX).

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Table of livestock futures including CATTLE (CME), PORK BELT (CME), and HOGS (CME).

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Table of financial futures including U.S. T-BILLS (CME), U.S. TREASURY (CME), and U.S. TREASURY (CBT).

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Table of commodity indexes including MEAT & LIVESTOCK (CME), GRAIN (CBT), and METALS (COMEX).

Market Guide

Table of market guide including Chicago Board of Trade, Chicago Mercantile Exchange, and New York Futures Exchange.

UAW Local Threatens Strike at GM

DETROIT (Reuters) — The United Auto Workers union said it delivered a five-day strike threat to General Motors Corp. on behalf of local union 602 in Lansing, Michigan, in a plant employing 4,200 hourly workers. The threat means that the union can elect to strike on Friday if negotiators fail to reach an agreement over health, safety and various other issues, a union spokesman said.

Disney Studios Predict Record Net

BURBANK, California (Bloomberg) — Walt Disney Studios, the film and television entertainment unit of Walt Disney Co., will report its most profitable year ever, said Richard Frank, president of the studio. Mr. Frank said Walt Disney Studios would earn about \$500 million in the year ending this month. In the first nine months, the operating profit of Walt Disney Studios increased 78 percent, to \$385.7 million. Mr. Frank attributed the success to the company's top ranking in U.S. box-office revenue this year, with 18.6 percent of the total.

Ashland to Post Record Annual Loss

ASHLAND, Kentucky (Bloomberg) — Ashland Oil Inc. said it would report the largest annual loss in its history for the year ending Sept. 30, citing accounting changes and cost-cutting measures. The loss will total about \$390 million, only the second loss in the oil refining and marketing company's 20-year history. It would compare with net income of \$145 million, or \$2.56 a share, a year earlier. Compliance with a new, mandatory accounting standard for retiree health benefits will mean a \$290 million charge against earnings for the financial year ending Sept. 30, the company said.

Junk-Bond Sales on Record Pace

NEW YORK (Bloomberg) — Sales of junk bonds probably will set a record this year, topping the \$31.9 billion sold in 1986, Merrill Lynch & Co. said Friday. So far this year, sales of the bonds — those rated below Baa3 by Moody's Investor Service Inc. and BB- minus by Standard & Poor's Corp. — total \$24.5 billion, Merrill said. Corporations have filed with the Securities and Exchange Commission to set an additional \$15.2 billion.

Placer Dome Buys Into Chilean Site

VANCOUVER, British Columbia (AFP) — Placer Dome Inc., the Canadian mining and energy concern, said Friday that it was investing \$500 million in a major copper property in the Atacama Desert in northern Chile. The Canadian company said it was paying \$100 million in cash for a 50 percent stake in the Zaldivar copper development from Outokumpu Copper Resources BV. Placer Dome has also agreed to provide \$400 million for development of the project, which will become a joint venture.

For the Record

Hartmarx Corp. said it had agreed to sell its specialty-store division to an affiliate of Maurice L. Rothschild & Co. for \$43 million, and as a result will take a charge of as much as \$20 million in the quarter ending in August. American Honda Motor Co. announced that it would increase its 1993 prices by an average of 2.7 percent over 1992 prices. Eastern Airlines former employees are expected to get severance payments of several thousand dollars apiece under a deal negotiated by a union, the company and creditors. About 87.5 million would be split among more than 14,000 workers employed by Miami-based Eastern when it closed on Jan. 18, 1991.

Currency Tension Spurs Gold

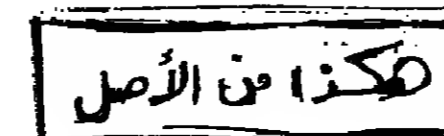
NEW YORK — The price of gold futures rose Friday, with uncertainty over the weekend's Group of Seven meeting and the French vote on the Maastricht treaty hanging over the market, unsettling currency prospects and leading to a hard asset. Contracts for gold delivery rose \$3.20, to \$353.30 an ounce, after trading in a range of \$348.50 and \$254.50 on the Commodity Exchange. Analysts pegged resistance at \$355, a level at which producers are believed ready to sell considerable quantities. Analysts said there was both short-covering and fresh buying ahead of the week's end but that trading remained thin because of nervousness stemming from Europe's currency crisis.

U.S. FUTURES

Table of U.S. futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).

U.S. FUTURES

Table of U.S. futures including SUGAR (POK), SUGAR (MTR), and WHITE SUGAR (MTR).



Matisse  
The Complex

# Philips Slices Forecast to \$290 Million

**Reuters**  
EINDHOVEN, Netherlands — Philips Electronics NV on Friday slashed its 1992 profit forecast for the second time in two months, saying it now expects net profit from normal operations to be roughly half 1991's 981 million guilders (\$585 million).  
Philips, Europe's largest consumer electronics concern, said in August it was unlikely that net profit from normal business operations would reach the level achieved in 1991.

The whole consumer products division made just 118 million guilders of operating profit in the second quarter. After stripping out the highly profitable Polygram NV music company, in which Philips has an 80 percent stake, and personal care products like electric razors and hairdryers, this leaves the consumer electronics part of the division in a hefty loss.  
Still, the chairman of the electronics business held out some hope of recovery in coming months. The executive, Henk Bodl, said he expected price-cutting to slacken as Christmas approaches. "In the U.S., we can say sales are quite stable again. Europe is still flat," he added.  
In 1991, Philips's net profit of 1.2 billion guilders was boosted by extraordinary gains on the sale of assets. No major extraordinary gains are yet forecast for 1992, the Philips spokesman said.  
Earlier this month, Philips announced that it had launched a worldwide cost-cutting drive aimed at saving hundreds of millions of guilders in the few remaining months of this year.  
That comes on top of a massive restructuring two years ago involving 45,000 job cuts that was aimed at returning Philips to financial health after a disastrous loss of 4.24 billion guilders in 1990.  
Philips, the inventor of the compact disk and the audio cassette, returned to profit in 1991, but last month it reported a steep fall in 1992 second-quarter net profit, to 82 million guilders.  
It now has a lot riding on ambitious new products in the consumer electronics market, such as its compact disc interactive system and its digital compact cassette.

# Fokker to Cut Work Hours

**Compiled by Our Staff From Dispatches**  
AMSTERDAM — Fokker NV said Friday it has asked permission from the Dutch minister of social affairs to cut working hours for nearly half of its work force, starting Sept. 28, to reflect lower demand for its airplanes.  
Stagnation in the aircraft industry following the Gulf War has lasted longer than expected and is resulting in fewer orders and postponements of delivery dates of previously ordered aircraft, Fokker said.  
The news pushed the company's shares down 0.30 guilder in Amsterdam, to 21.50 guilders (\$12.83), in brisk trading.  
The reduction of working hours would vary from one to two days a week, depending on the section of the company, and would affect about 5,000 people. Fokker employed 12,606 people at the end of 1991. The cut is expected to be in effect until February 1993.  
Fokker said it was not taking on any new staff except in selected jobs and that it planned to set up a voluntary early retirement scheme for employees aged 55 and older.  
The company said it production of the Fokker 100 was unlikely to be increased before 1994. (Reuters, Bloomberg)

# London Stocks Gain On Rate-Cut Hopes

**Compiled by Our Staff From Dispatches**  
LONDON — British stocks surged Friday in the heaviest trading since the deregulation of the market in 1986, with the unrest in European currency markets translating into hopes for a quick cut in interest rates.  
The Financial Times-Stock Exchange 100-share index gained 3.35 percent, or 83.1 points, to 2,567.0. That brought its gain for the week to 8 percent, with analysts saying that the longer Britain keeps the pound out of the exchange-rate mechanism of the European Monetary System, the faster rates will fall.  
Volume was about 1.29 billion shares, the highest since the "Big Bang" deregulation on Oct. 27, 1986, when 1.37 billion were traded.  
Turnover was boosted by 122 million shares of Commercial Union traded. Brokers placed 60 million shares representing the 14 percent friendly stake held by rival Sun Alliance. The sale underlined the sudden change of sentiment in markets following the failure to place the stock in previously unsettled conditions. Sun raised around £280 million (\$498 million) from the sale at 475 pence a share.  
Merchant banks were jubilant at the sudden surge in business of the past two sessions. Warburg climbed 28 pence, to 474 pence. (Reuters, UPI)

# EC to Examine Charges of Asian Disk Dumping

**Compiled by Our Staff From Dispatches**  
BRUSSELS — The EC Commission said Friday that it was investigating charges that companies in Hong Kong and South Korea were flooding the European Community market with cut-price computer floppy disks, competing unfairly with EC manufacturers.  
The investigation follows complaints from five EC producers, including Rhône-Poulenc SA, the commission said. It could impose substantial duties on the 3.5-inch disks from Asia if it finds that they are being sold at cut prices, disrupting the market.  
EC producers have charged that the Hong Kong and South Korean companies lowered their sale price in the Community by about 50 percent from 1988 to 1990, boosting sales more than sixfold from 1988 to late 1991 at the expense of local manufacturers.  
The European companies said this had affected profits and caused some losses.  
The EC statement said cut-price sales of the Asian disks had risen from 11.2 million units in 1988 to 103 million in 1991. Their share of the EC market increased to 14.2 percent from 4.3 percent in the same period.  
The commission is investigating similar charges against floppy-disk makers in Japan, China and Taiwan. (Reuters, AFX, AFP)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1800	2700	2100		
1700	2600	2000		
1600	2500	1900		
1500	2400	1800		
1400	2300	1700		
1300	2200	1600		
1200	2100	1500		
1100	2000	1400		
1000	1900	1300		
900	1800	1200		
800	1700	1100		
700	1600	1000		
600	1500	900		
500	1400	800		
400	1300	700		
300	1200	600		
200	1100	500		
100	1000	400		
0	900	300		
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	113.80	112.60	+0.89
Brussels	Stock Index	5,577.53	5,513.51	+0.07
Frankfurt	DAX	1,809.33	1,578.67	+0.68
Frankfurt	FAZ	623.40	620.43	+0.48
Helsinki	HEX	583.28	578.65	+0.80
London	Financial Times 30	1,885.20	1,815.20	+3.86
London	FTSE 100	2,567.00	2,483.80	+3.35
Madrid	General Index	214.00	211.40	+1.23
Milan	MIB	745.00	727.00	+2.46
Paris	CAC 40	1,882.94	1,832.74	+1.63
Stockholm	Affarsveeriden	896.16	861.39	+4.27
Vienna	Stock Index	378.43	372.68	+1.54
Zurich	SBS	645.50	664.70	-2.86

Source: Reuters, AFP  
International Herald Tribune

# NYSE

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	Stock	Div	Yield	PE	High	Low	4 PM	Close
100	IBM	3.00	3.75	12.5	110.00	109.00	109.00	109.00
100	Microsoft	0.00	0.00	15.0	45.00	44.00	44.00	44.00
100	Apple	0.00	0.00	10.0	25.00	24.00	24.00	24.00
100	Oracle	0.00	0.00	12.0	15.00	14.00	14.00	14.00
100	Novell	0.00	0.00	11.0	12.00	11.00	11.00	11.00
100	Lotus	0.00	0.00	13.0	18.00	17.00	17.00	17.00
100	Intuit	0.00	0.00	14.0	22.00	21.00	21.00	21.00
100	Visa	0.00	0.00	16.0	28.00	27.00	27.00	27.00
100	MasterCard	0.00	0.00	17.0	32.00	31.00	31.00	31.00
100	Discover	0.00	0.00	18.0	36.00	35.00	35.00	35.00
100	Bank of America	0.00	0.00	19.0	40.00	39.00	39.00	39.00
100	Wells Fargo	0.00	0.00	20.0	44.00	43.00	43.00	43.00
100	Citigroup	0.00	0.00	21.0	48.00	47.00	47.00	47.00
100	JPMorgan	0.00	0.00	22.0	52.00	51.00	51.00	51.00
100	Goldman Sachs	0.00	0.00	23.0	56.00	55.00	55.00	55.00
100	Merrill Lynch	0.00	0.00	24.0	60.00	59.00	59.00	59.00
100	Prudential	0.00	0.00	25.0	64.00	63.00	63.00	63.00
100	MetLife	0.00	0.00	26.0	68.00	67.00	67.00	67.00
100	American Intl	0.00	0.00	27.0	72.00	71.00	71.00	71.00
100	Travelers	0.00	0.00	28.0	76.00	75.00	75.00	75.00
100	Western Union	0.00	0.00	29.0	80.00	79.00	79.00	79.00
100	Verizon	0.00	0.00	30.0	84.00	83.00	83.00	83.00
100	Sprint	0.00	0.00	31.0	88.00	87.00	87.00	87.00
100	WorldCom	0.00	0.00	32.0	92.00	91.00	91.00	91.00
100	Qwest	0.00	0.00	33.0	96.00	95.00	95.00	95.00
100	Southwest	0.00	0.00	34.0	100.00	99.00	99.00	99.00
100	Delta	0.00	0.00	35.0	104.00	103.00	103.00	103.00
100	American	0.00	0.00	36.0	108.00	107.00	107.00	107.00
100	United	0.00	0.00	37.0	112.00	111.00	111.00	111.00
100	Northwest	0.00	0.00	38.0	116.00	115.00	115.00	115.00
100	Alaska	0.00	0.00	39.0	120.00	119.00	119.00	119.00
100	Allegiant	0.00	0.00	40.0	124.00	123.00	123.00	123.00
100	JetBlue	0.00	0.00	41.0	128.00	127.00	127.00	127.00
100	Spirit	0.00	0.00	42.0	132.00	131.00	131.00	131.00
100	Southwest	0.00	0.00	43.0	136.00	135.00	135.00	135.00
100	Delta	0.00	0.00	44.0	140.00	139.00	139.00	139.00
100	American	0.00	0.00	45.0	144.00	143.00	143.00	143.00
100	United	0.00	0.00	46.0	148.00	147.00	147.00	147.00
100	Northwest	0.00	0.00	47.0	152.00	151.00	151.00	151.00
100	Alaska	0.00	0.00	48.0	156.00	155.00	155.00	155.00
100	Allegiant	0.00	0.00	49.0	160.00	159.00	159.00	159.00
100	JetBlue	0.00	0.00	50.0	164.00	163.00	163.00	163.00
100	Spirit	0.00	0.00	51.0	168.00	167.00	167.00	167.00
100	Southwest	0.00	0.00	52.0	172.00	171.00	171.00	171.00
100	Delta	0.00	0.00	53.0	176.00	175.00	175.00	175.00
100	American	0.00	0.00	54.0	180.00	179.00	179.00	179.00
100	United	0.00	0.00	55.0	184.00	183.00	183.00	183.00
100	Northwest	0.00	0.00	56.0	188.00	187.00	187.00	187.00
100	Alaska	0.00	0.00	57.0	192.00	191.00	191.00	191.00
100	Allegiant	0.00	0.00	58.0	196.00	195.00	195.00	195.00
100	JetBlue	0.00	0.00	59.0	200.00	199.00	199.00	199.00
100	Spirit	0.00	0.00	60.0	204.00	203.00	203.00	203.00
100	Southwest	0.00	0.00	61.0	208.00	207.00	207.00	207.00
100	Delta	0.00	0.00	62.0	212.00	211.00	211.00	211.00
100	American	0.00	0.00	63.0	216.00	215.00	215.00	215.00
100	United	0.00	0.00	64.0	220.00	219.00	219.00	219.00
100	Northwest	0.00	0.00	65.0	224.00	223.00	223.00	223.00
100	Alaska	0.00	0.00	66.0	228.00	227.00	227.00	227.00
100	Allegiant	0.00	0.00	67.0	232.00	231.00	231.00	231.00
100	JetBlue	0.00	0.00	68.0	236.00	235.00	235.00	235.00
100	Spirit	0.00	0.00	69.0	240.00	239.00	239.00	239.00
100	Southwest	0.00	0.00	70.0	244.00	243.00	243.00	243.00
100	Delta	0.00	0.00	71.0	248.00	247.00	247.00	247.00
100	American	0.00	0.00	72.0	252.00	251.00	251.00	251.00
100	United	0.00	0.00	73.0	256.00	255.00	255.00	255.00
100	Northwest	0.00	0.00	74.0	260.00	259.00	259.00	259.00
100	Alaska	0.00	0.00	75.0	264.00	263.00	263.00	263.00
100	Allegiant	0.00	0.00	76.0	268.00	267.00	267.00	267.00
100	JetBlue	0.00	0.00	77.0	272.00	271.00	271.00	271.00
100	Spirit	0.00	0.00	78.0	276.00	275.00	275.00	275.00
100	Southwest	0.00	0.00	79.0	280.00	279.00	279.00	279.00
100	Delta	0.00	0.00	80.0	284.00	283.00	283.00	283.00
100	American	0.00	0.00	81.0	288.00	287.00	287.00	287.00
100	United	0.00	0.00	82.0	292.00	291.00	291.00	291.00
100	Northwest	0.00	0.00	83.0	296.00	295.00	295.00	295.00
100	Alaska	0.00	0.00	84.0	300.00	299.00	299.00	299.00
100	Allegiant	0.00	0.00	85.0	304.00	303.00	303.00	303.00
100	JetBlue	0.00	0.00	86.0	308.00	307.00	307.00	307.00
100	Spirit	0.00	0.00	87.0	312.00	311.00	311.00	311.00
100	Southwest	0.00	0.00	88.0	316.00	315.00	315.00	315.00
100	Delta	0.00	0.00	89.0	320.00	319.00	319.00	319.00
100	American	0.00	0.00	90.0	324.00	323.00	323.00	323.00
100	United	0.00	0.00	91.0	328.00	327.00	327.00	327.00
100	Northwest	0.00	0.00	92.0	332.00	331.00	331.00	331.00
100								

# Referendum Can't Revive the Ecu-Bond Market

**LONDON** — Hopes that the European Currency Unit would become the dominant denomination in the European bond market have all but evaporated after this week's turmoil in the currency markets.

The crisis in the ERM is equivalent to a 'No' vote in advance for the Ecu bond market, said Jonathan Davies, a European bond analyst at UBS Phillips & Drew.

Until Wednesday, when massive selling forced sterling from the exchange-rate mechanism and battered other European Community currencies, economists saw a 'yes' vote for the Maastricht treaty in the French referendum on Sunday keeping the EC's plan for economic and monetary union alive.

"A French 'yes' vote will now not rescue the Ecu bond market," said Steven Major, senior European bond analyst at Credit Lyonnais Euro-Securities.

The bonds surged during the early part of the year on the belief the Ecu would become the common currency of Europe by the end of this decade. But it became clear there was growing hostility to the idea of European integration,

culminating in the surprise Danish rejection of the Maastricht treaty in June.

Secondary Ecu bonds are now expected to diminish in importance and form a high-yielding market dominated by professional players where retail activity is minimal.

One result is that the bonds will have to offer higher yields, compared with a theoretical yield on securities denominated in EC currencies. Dealers said those remaining in the market would want to be compensated for poor liquidity by higher yields.

In 10-year maturities, for example, the Ecu bonds are likely to offer a premium of 50 basis points to 60 basis points, compared with the current 40 points. Earlier this year, Ecu bonds traded at about 50 basis points, which is half a percentage point, below the theoretical yield, when investors were happy to have the lower return because the Ecu reduced the currency risk of any one national market.

Low volume, leading to falling profitability, is likely to cause as many as 20 of the 44 banks that currently make markets in Ecu bonds to abandon the business by the middle of next year, dealers said.

Mr. Major of Credit Lyonnais predicted a two-tier Ecu bond market would develop, with active trading in British and French government paper but little interest in other issues. The British and French governments had promoted their large Ecu issues in part to help their respective futures exchanges prosper.

Several big borrowers in Ecu are rumored to be considering buying back their bonds as prices fall and issuing in the underlying markets in a bid to reduce their financing costs.

Meanwhile, some analysts said a 'no' vote in the French referendum might do more to help the market's slim chances for revival than if it passes. If France rejects the Maastricht treaty, the EC could renegotiate the accord and perhaps create an economic and monetary union after all. But a 'yes' vote would merely allow the treaty to face rejection by another EC member, extending the uncertainty, which already is considerable in light of the Danish rejection.

"A 'no' vote does not necessarily mean the end of Ecu bonds as it may lead to a renegotiation of the treaty and a more broadly acceptable EMU," said David Brown, economist at Swiss Bank Corp.

# NASDAQ

**Friday's Prices**  
NASDAQ prices as of 4 p.m. New York time. The list is compiled by the NASD, consists of the 100 most traded securities in terms of dollar value, it is updated twice a year.

Symbol	Price
IBM	110 1/4
Microsoft	40 1/4
Intel	35 1/4
Oracle	28 1/4
Sun	25 1/4
Compaq	22 1/4
PerkinElmer	20 1/4
Amgen	18 1/4
Genentech	16 1/4
Genzyme	14 1/4
Amgen	12 1/4
Genentech	10 1/4
Genzyme	8 1/4
Amgen	6 1/4
Genentech	4 1/4
Genzyme	2 1/4

# AMEX

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price
IBM	110 1/4
Microsoft	40 1/4
Intel	35 1/4
Oracle	28 1/4
Sun	25 1/4
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Genentech	16 1/4
Genzyme	14 1/4
Amgen	12 1/4
Genentech	10 1/4
Genzyme	8 1/4
Amgen	6 1/4
Genentech	4 1/4
Genzyme	2 1/4

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Genentech	10 1/4
Genzyme	8 1/4
Amgen	6 1/4
Genentech	4 1/4
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Genzyme	14 1/4
Amgen	12 1/4
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# MONEY



## The Great Currency Duck Shoot

**T**HE next time you're arguing economics over the dinner table — something which apparently happens even to the best of us — cite the events of this week as evidence that, despite everything, capitalism works.

Yes, the global foreign exchange markets are in turmoil. Yes, Europeans are talking about a crisis over the Exchange Rate Mechanism which Britain's pound temporarily left this week, and within which Spain's peseta was devalued by 5 percent. Yes, overnight rates in Sweden (a country trying to prove its readiness for EC and ERM membership) reached a surreal 500 percent, with British overnight rates momentarily touching 100 percent. And yes, lots of people have been talking about crisis.

But all that's really been proved is that you can't beat the markets. The markets have forced the British government to abandon its attachment to currency alignment. Last week this column argued that the extreme lengths to which governments were going to maintain parity of currencies was as sensible as nailing a car's speedometer to the dashboard: You can keep the indicator where you want it, but at the cost of losing its value in economic management.

The attempts by European governments and central banks to coerce the markets have been crude and unsuccessful. Billions of various currencies have been spent trying to burn speculators' fingers. But the authorities cannot coerce such a huge market (a busy day for a single trader in London or New York will see a turnover greater than the volume of all shares traded in London — over a year). What they can do is cajole and persuade — in this case, singularly badly.

Having hammered the Swedish krona, the Italian lira and the British pound, the markets are training their sights on some of the other European currencies. Next up may well be the already devalued Spanish peseta. And over the next week or two holders of French francs may be finding themselves with less purchasing power than at present. That may sound a bit like foreign exchange trading on a duck shoot. Maybe, but it's also the markets showing who's really the boss in a capitalist system.

M.B.

## A Lesson in Political Risk Factors

By Rupert Bruce

**T**HE stock markets of Europe and the global market in foreign exchange have just had one of their more chaotic weeks. The lessons to be learned from the various crises are still being assimilated by analysts and investors, but one thing is clear from the perspective of the international investor: When you're investing across international borders currency really does matter. So much so that it can turn what seems like a good investment into a bad one.

Add major political risk into the equation, and you have an investment scenario full of potentially high returns and the possibility of serious loss. Political risk is itself a factor in the market's assessment of currency rates, but it can also affect the viability of a particular security. Take South African rand bonds — an asset class much favored by German and Swiss investors, according to brokers — as an example.

When at least 24 supporters of the African National Congress were killed by troops in the Ciskei homeland on Sept. 7, foreign investments in South African rand bonds reacted with distress. Purchase prices fell, which meant that the bonds' yields rose sharply.

On the previous Friday, the foreign investors' yield on the benchmark ESCOM 168 bond, issued by the Electricity Supply Commission of South Africa, was 18.6 percent. By the following Friday, when the dust had settled, the yield was 19.3 percent.

To understand why these bonds are so volatile, apart from political risk, you need to go back to the currency markets. South Africa has a curious two-tier exchange rate for the financial rand, in which all foreign

investments must be made, and the commercial rand, the common currency.

The financial rand both trades at a discount to the commercial rand and fluctuates more rapidly. That has the effect of boosting the yield received by foreign investors who receive dividends in commercial rand — and making financial rand bond investments volatile.

The boosted yields also explain why the Germans and Swiss — traditionally the keenest bond investors in Europe — have been committing large sums of money to rand bonds since the mid- to late 1980s.

Chartered West LB and James Capel & Co. claim to be the biggest traders of rand bonds outside South Africa. Both said that the Germans and the Swiss stepped up their investments in the markets dramatically in the late 1980s.

Jon Bergthell, a South Africa analyst at James Capel, thinks the catalyst may have been a combination of Deutsche Bank's turning positive on the financial rand in 1988 and his own firm's note highlighting the attractions of the bonds.

These investors are not institutional, but private. Mr. Bergthell said: "We get orders from the banks, but ultimately it is the private client. The big joke is that there are however many hundreds of dentists behind it."

Mr. Bergthell says he has one client who he believes is typical. He made an investment of 20 million rand five years ago, since when he has received a yield averaging around 22 percent. He just puts the two-yearly dividend back in the market and has more than made his money back.

In the days when this investment was made, however, South Africa had not started to dismantle apartheid and the perceived

risks were much greater than today. In those days yields hovered in the 20s and even touched 30 in the odd crisis. Now yields fluctuate between the high teens and the low 20s.

The volatility is caused largely by the fluctuating discount between the two rands. Michael Andrew, assistant director at Chartered West LB, said: "It fluctuates with the foreigners' perception of the political and economic scene."

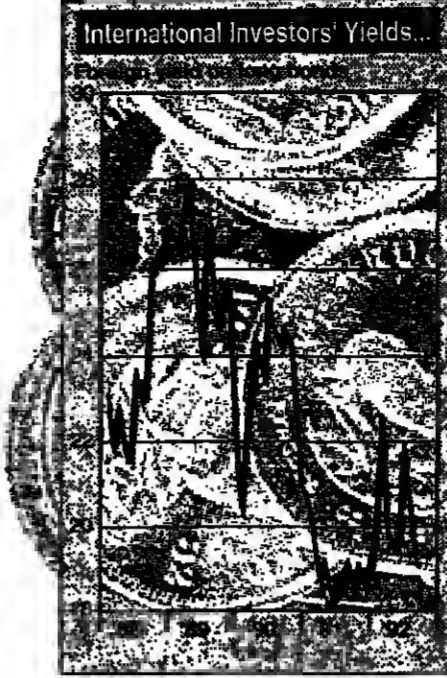
"For example, there were wild fluctuations leading up to the referendum last February. The discount moved between 18 percent and 28 percent in a couple of days. After the 'yes' vote the discount came back to around 20 percent."

Mr. Bergthell regards the release of Nelson Mandela, the leader of the ANC, from jail as a watershed. Before then, he thought that a foreigners' yield of less than 23 percent did not justify the risks, while a higher yield than that made the market a buy. Today, he thinks 19 percent is the critical level.

**B**UT it is not just politics that have given a boost to the bond markets. South Africa's economy is in the mire of recession and the government is trying to cut inflation, so local institutions have switched out of shares and into domestic bonds, just as their fellows have done all over the world.

In addition, the Reserve Bank has started intervening in the foreign-exchange markets to stabilize the financial rand. That has the effect of stopping the discount to the commercial rand from becoming too great.

The recent rally in bond prices has left foreigners' yields hovering around the levels where bonds are no longer an obvious buy,



Source: DeLustrum



according to Mr. Bergthell's rule of thumb. "The bond market can still offer reasonable value, I think, depending on how you look at it. But, certainly, in terms of European bond yields and domestic equity markets, it is far more expensive than a year ago."

But the real risk of investing in any South African investment is whether the financial rand appreciates or depreciates against your base currency.

Pete Lutman, economic adviser (global foreign exchange), at Barclays Bank in London, said: "Our general view is that the commercial rand itself will have to drift downward in view of South Africa's high inflation rate against its

competitors. So, over time, the financial rand is likely to drift down."

Mr. Lutman believes the dollar will recover in the next year, so the rand is likely to be particularly weak against that currency. He also believes the rand will be less weak against the European currencies.

The analysts say danger of currency fluctuations is easily the most significant risk for investors in rand bonds — neither the government nor any of the state-owned agencies that issue the bonds have ever defaulted. Perhaps that is why, according to Mr. Bergthell, the Swiss have typically used them to raise the yield on a generally low-risk bond portfolio.

## The High Cost of Learning: Planning for a College Education

By Judith Rehak

**O**VER the past few weeks, station wagons and vans across the United States have been loaded up with trunks, stereos, sports gear and textbooks in the annual rite of departure for college. While parents are relieved of their offspring and their mountains of possessions, the heaviest burden is likely to remain at home — the staggering cost of a college education.

College tuition bills have been skyrocketing for the past decade. According to the

National Center for Education Statistics, the average tuition fee for a private four-year college has exploded to \$11,379 last year from \$3,811 in 1980; a prestige school like Harvard will charge a whopping \$15,870 in tuition for 1992-93. Public or state universities assessed on average only \$840 in tuition and fees in 1980; by 1991, that figure was \$2,139, a 12-percent leap from the previous year. Based on current projections, this year's tuition of \$14,403 for a private school will spiral to about \$34,000 by the year 2005.

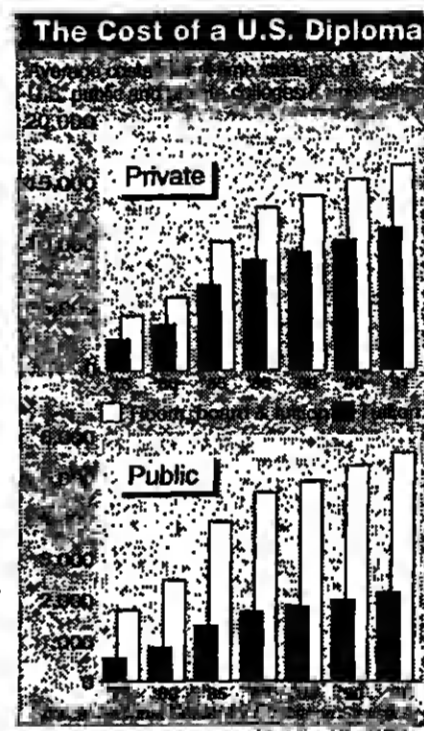
Even more foreboding are two trends noted by William Goldberg, the national director of personal financial planning for

KPMG Peat Marwick. "Once kids actually start going, it never costs as little as they say in the catalogues," he said, "and taking five years instead of four to complete college is becoming more prevalent, because students change majors and there are scheduling conflicts."

But as grim as the scenario appears, there is hope for American parents who wonder how they'll ever finance the education they want to give their children. There are a number of key points to consider.

• **The Time Frame**

Most important, experts say, is to start saving sooner rather than later. "That way you get the compounding advantage," said Russell Hill of the Stratford Advisory Group, a Chicago investment adviser. Parents of a newborn who invest only \$100 a month in stocks will find that at a conservative 10 percent appreciation a year, their money will grow to \$60,056 by the time their baby marches off to academia. The economic advantage of starting early is evident, compared with what would happen if you waited until your child is 8 years old to begin saving. Even with a higher monthly contribution of \$125 a month, your college nest egg, assuming the same rate of return, will grow to only \$26,605 by the time junior leaves home.



• **The Equities Strategy**

With college costs outstripping inflation year after year, many financial advisers argue that investing in stocks is the only way to come out ahead. "If you believe in the repeatability of markets over 5 to 10 years, even 15 years, the evidence is overwhelming that stocks will defeat bonds," said Mr. Hill.

If your college candidate is still in diapers, "buy as much as you can of equities," he advises. He advocates diversification among a portfolio of selected mutual funds, with as much as 50 percent invested in a small company growth fund and a small company value fund, 30 percent in growth and value funds specializing in large caps (companies with a stock market value of \$1 billion or more), and 20 percent in an international equities vehicle.

Then, about five years before your child enters college, Mr. Hill advises, switch 20 to 25 percent of the fund annually from equities

into less volatile bonds to preserve your gains.

The scenario changes, however, if your child is older when you start. "Your portfolio will have to be more traditional because there is less time to ride out stock market volatility," he says. He would then allocate 50 percent to large caps, 30 percent to smaller companies, and roughly 15 percent to international equities, or possibly bonds.

By comparison, Craig Litman, vice president of Litman-Gregory, a San Francisco financial group, is downright aggressive. He is particularly keen on international equities, recommending as much as 25 to 35 percent of a college fund in a combination of vehicles like the Harbor International Fund, with 5 to 7 percent of that slated for a fund investing in emergency markets. "They'll be the

best growth story of the '90s," he asserted. This plan calls for a strong stomach to withstand major market dips. "If you can't, you'll have to live with about 25 percent in bonds," Mr. Litman said.

• **The Bond Strategy**

Despite the reams of statistics showing that equities win hands down over bonds in terms of appreciation, a surprising number of parents still feel more comfortable with safe, solid bonds when planning for education.

The reason? "You can't predict where stocks are going to be at any given time," said Mr. Goldberg of Peat Marwick. "Are you going to say to your child, 'Sorry, you can't go to school because it's a bear market'?"

"Clients see this as serious money," agrees John Barrett of Merrill Lynch, which offers a College Builder Plan based on zero-coupon U.S. government bonds, on which interest is paid only at maturity. Merrill currently guarantees an annual 7.29 percent yield on these instruments, which are laddered to mature for each of the four years a student will be at school. Under the plan, if you have a toddler of 5, you would have to invest \$6,007 each year for 13 years to attain an after-tax total of \$154,106 for college in the years 2005 to 2008.

Until recently, about 75 percent of his clients opted for no risk and the all-government securities plan, but today's rock-bottom interest rates in the United States have changed attitudes somewhat, Mr. Barrett acknowledges. So, for those willing to take more risk, he now suggests placing \$25,000 in zero-coupon, which would appreciate to \$75,000 in 13 years for a 5-year-old, and \$25,000 in Merrill's Basic Value Fund, a blue-chip equity vehicle.

Strategies for meeting the costs of college vary widely, depending on the age of the child, taxes, risk tolerance, investment vehicle and how much cash you can salt away each year. But don't abandon hope if you can't contribute a lot. Some mutual funds will accept as little as \$50 a month in an investment plan, and that can add up, Mr. Hill says. Adds Mr. Goldberg, who just sent his daughter off to college himself, "Any prudence cushions the shock."

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### BRIEF CASE

**Lazard Brothers is Offering New Guernsey Account**

Lazard Brothers, a well-known international investment bank, is offering a new offshore account to fund managers, institutions and other large investors. The new fund is a money market account that pays interest comparable to fixed-term deposit rates. The bank claims that a significant benefit of the account is the instant access that investors have to funds, without any interest penalty.

A deposit of \$480,000, or the equivalent in any major currency is required to open an account, which may be denominated in dollars, British pounds, or Deutsche marks. Interest is paid quarterly, without deduction of withholding tax, and switching between currencies is effected free of commission.

For more information, write Lazard Brothers & Co. (Guernsey) Ltd., Box 275, Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey Channel Islands, or call Guernsey, (44 481) 710-461.

**FTSE 100 Futures Trading To Open in U.S. in October**

Futures and options trading on the Financial Times-Stock Exchange 100, the premier index of British equities, will begin trading in the United States on Oct. 15. The Chicago Mercantile Exchange will trade the futures and the Chicago Board Options Exchange will handle the options market, the exchanges announced.

The FTSE 100 is a capitalization-weighted index measuring the performance of Britain's 100 largest companies. The U.K. market has attracted much attention — if not many buyers — in the last few months, as global investors have followed the tribulations of the pound. Failure of the pound to

stabilize probably would mean yet higher interest rates than the increases already announced this week. The prospect of a weaker currency ignited a summer swoon that took the Footsie, as it is known, from above 2,700 to below 2,300. It has staggered up off the floor in the last few weeks.

Derivative trading of the FTSE 100 has been in progress on the London International Financial Futures and Options Exchange since 1984, when the index was invented. Trading in Chicago, which is six hours behind London during most of the year, will overlap to some extent, the exchanges noted.

"As U.S. investors increasingly diversify their portfolios outside of their home market, ... derivative products on the FTSE 100 provide them with necessary flexibility to control risk in their European portfolios," a London Stock Exchange official said.

**Markets to Get Early Start The Day After French Vote**

As if the financial markets weren't chaotic enough this week, LIFFE is planning for an especially hectic session on Monday, the day after France votes on the Maastricht treaty on European union. The exchange has announced earlier opening times for trading of 13 futures and options contracts.

Futures and options trading in German government bonds will begin half an hour ahead of the normal starting time and long gilt futures and options will open an hour ahead of schedule, exchange officials said. Other contracts will begin trading 40 to 55 minutes before the usual time.

The French futures exchange, known by its acronymy MATIF, said it too planned to open early on Monday, with starting times on futures and options trading in the notion-

al bond, Paris interbank offered rate and Ecu bond contracts moved ahead.

The last time LIFFE opened early was in April, after Prime Minister John Major surprised the experts and retained his post as prime minister. The longer day proved a good thing.

"The day after the U.K. election we opened earlier for the sterling contracts," said Claudia Hitchcox, an exchange spokeswoman, "and we had the biggest day ever," trading 640,000 contracts on all LIFFE instruments.

**Providence Capital Launches Series of Guaranteed Bonds**

Providence Capital International, the offshore arm of the British insurer and investment house, Providence Capital, is launching the latest in a series of guaranteed bonds. The Fourth Guaranteed Futures Bond, or GFB4, guarantees return of the capital sum invested after investing a portion of investors' money in U.S. government bonds for eight years. The other part of investors' money is committed to an actively traded portfolio of futures contracts.

Minimum investments are \$20,000. Only dollar investments are accepted. There is a management charge of 0.75 percent annually, with a further charge of 0.5 percent of net asset value deducted from the interest earned of the company. The futures trading advisers Adam Harding and Lueck and the broker ED & F Man also levy charges. In the case of the futures advisers, the level of charge varies according to the performance of the fund. The fund is open for subscription until November 27.

For more information, write Providence Capital International, Box 121, Rohais, St. Peter Port, Guernsey, Channel Islands, or call Guernsey, (44 481) 726-726.

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THE MONEY REPORT

Still Resting Easy In Island Havens

By Conrad de Aenle

THE theory goes that a single global investment market is taking shape. Certainly, the starting date for the single market in Europe is fast approaching...

The optimism in the Channel Islands is anchored in a set of regulatory standards that officials say make their financial products safer, in some cases, than those on the mainland.

Jersey officials make the same argument. Speaking of the applications he receives for different, innovative fund vehicles, James Jenkin, supervisor of investments and securities for the Jersey Financial Services Department, said, "One of the strengths of this island is when we see a new scheme, we study it thoroughly."

Regulators in Community countries don't have that luxury when it comes to investment funds, he said, because of the UCITS directive, which mandates that a fund registered in one member state must be granted access in any of the others.

Where EC regulators are rather critical is when the suggestion is made that they are in any way lax. "We approach the fund business here as one needing regulation," said Garrett Murphy, manager of the Financial Services Department of the Central Bank of Ireland, which regulates Irish funds in and out of Dublin's International Financial Services Center. "We don't

look at regulation as a lowest common denominator. You have to have really good standards or you won't be accepted internationally...

"We look at foreign funds in the same light as our own," he continued, adding that mutual-recognition agreements were in the works with the two Channel Islands, the Isle of Man and Bermuda.

Fund regulations in each of the Channel Islands are similar as to the types of funds that can be licensed. Rules spell out capital requirements of the funds and their custodian banks, compensation schemes, complaint procedures and general aspects of business conduct.

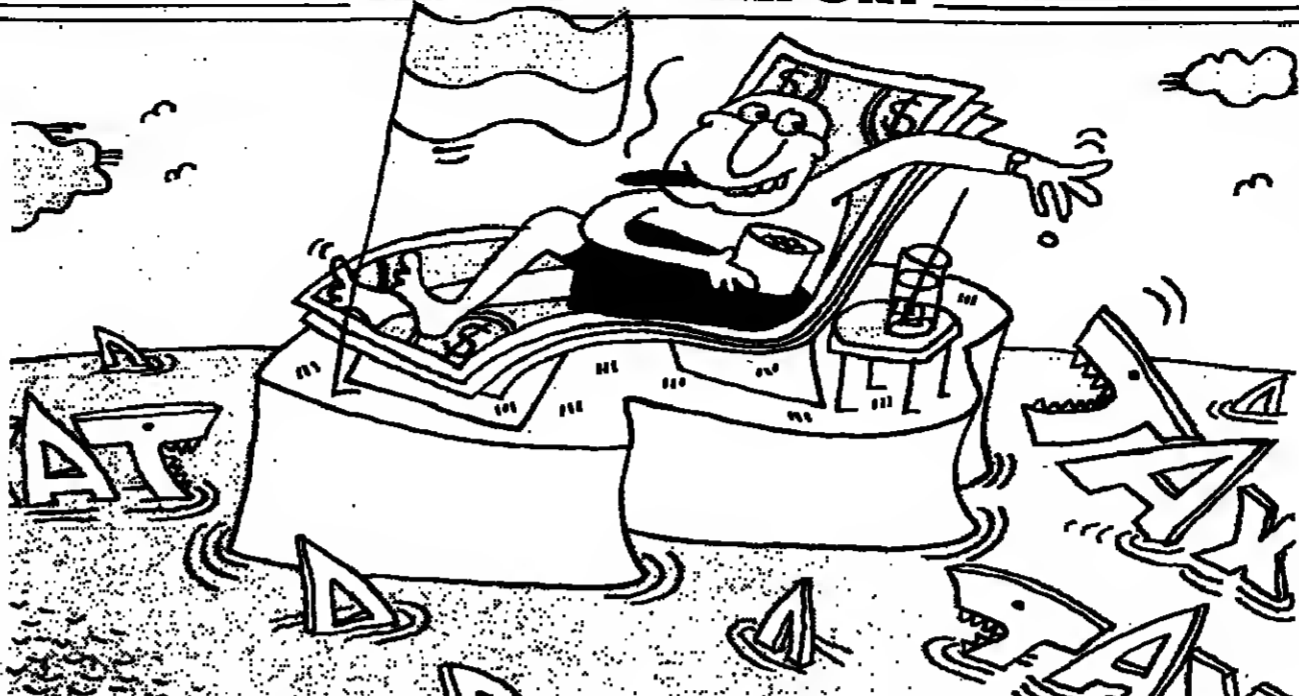
When deciding whether a fund should be licensed, "the overriding factor is the structure and track record of the promoter," explained Alan Heard, Jersey's authorization manager for investments and securities. A solid history in fund management and substantial financial wherewithal will improve an applicant's chances.

Officials on both islands stress that they exercise a certain flexibility when reviewing an application. In general, the higher the minimum investment, the less stringent the rules, the theory being that rich folk should know better what they're getting into.

The most important legal aspect, from the standpoint of a lot of fund investors, is that income and capital gains are not taxed. The same goes for funds in Luxembourg, Dublin and other centers being developed in Europe, but members of the offshore financial industry are fond of warning that this could change overnight.

"It could go one of two ways," Robin Fuller, marketing director of Rothschild Asset Management in Guernsey, said of the onshore center. "Everyone is going to want one. Are you going to allow it, or are you going to have a uniform tax code in the EC?"

Officials in Europe vehemently point out that a unanimous vote is required on tax matters in the Community and that an affirmative vote is out of the question.



Lure of Monaco and Tax-Free Returns

By Aline Sullivan

SOMERSET Maugham described Monaco as "a sunny place for shady people." The description still holds, but only in part. Increasing numbers of private investors are attracted to Monaco, not by the gambling, but by its reliability as an offshore tax haven.

Deposits lodged by private investors at Monaco's 39 banks are increasing at a rate of around 20 percent a year, according to Henri de Roquette Buisson, branch manager of Barclays Bank in Monte Carlo. The bank's clients are lured by the promise of tax-free returns on their investments, strict client confidentiality and what Monegasque bankers commonly term the principality's "conveniences."

The sophistication of fund management is such that the same services are available in all of the offshore centers," Mr. Buisson conceded. But Monaco has the edge, he argued, because "it is easy to live and work here." Around half of Barclays' private depositors in Monaco also reside in the principality.

Monaco's citizens, the Monegasques, represent only a small minority—around a sixth—of the principality's 27,000 inhabitants. For foreigners, obtaining residence is relatively easy: All you have to do is rent an apartment and be able to prove an independent source of income.

ONCE ensconced, residents in Monaco enjoy freedom from income tax, capital-gains tax and most forms of inheritance tax. And what is saved from the taxman need not be kept hidden from the neighbors, as the opulent yachts in Monte Carlo harbor testify.

"The biggest advantage Monaco has over the Virgin Islands and other tax havens is that you can really live here," said Geoffrey Woodhouse of the Monte Carlo accounting firm Moore Stephens. "For those who can afford it, the lifestyle is wonderful."

Investors less enamored of Monaco's charms are still able to benefit from the principality's offshore status. Local bankers say they are helping increasing numbers of nonresidents open accounts and set up offshore companies and trusts.

Michel de Robillard, director of Crédit Foncier de Monaco, a subsidiary of the French financial group Suez and the largest bank in Monaco, said about 60 percent of his bank's high-net-worth clients reside outside Monaco.

"We have a marketing team which travels widely to promote our offshore banking services," said Mr. de Robillard. "Many of our clients are in French-speaking North Africa and both Northern and Southern Europe."

Residents of countries with currency exchange controls may find it difficult to deposit their money in offshore accounts. U.S. nationals are liable for tax on their investments anywhere in the world while French citizens are supposed to declare any funds deposited in Monaco. But, as Mr. de Robillard said, "That is up to them." Only the Monegasque government is able to demand access to bank account details and that power is used only when money laundering is suspected.

Geoffrey Woodhouse, Moore Stephens accounting firm.

MONACO'S bankers are eager to strike the right balance between attracting investors and staying clear of scandal. The collapse two years ago of Banque Industrielle de Monaco and a related suicide and arrest aroused widespread concern. So does the increasing threat represented by the Italian Mafia, which, under pressure from police and tax authorities at home, is eager to find safe havens for its money.

The Monegasque government is working to bring the principality's money-laundering laws into line with those of France. Banks require depositors to show a letter of reference from another bank or a known firm of accountants. All securities dealings are monitored by the Paris stock market authorities.

This increase in regulation is attractive to investors looking for security as well as tax advantages. But worries about European Community legislation remain a cloud on the horizon.

Monaco's bankers dismiss questions about the likely impact on the principality of EC union, saying that other member states are unlikely to follow France in refusing to recognize Monaco's tax exemptions. Perhaps they are right: Each member state of the Community remains able to veto new tax legislation, making big policy changes improbable.

So who should consider opening an offshore account? According to Mr. Buisson, the average investor at Barclays in Monte Carlo has about million French francs (almost \$1 million), in his account. This investor, who probably has accounts in several other cities, received his money through inheritance, property development or as the result of a merger or company takeover.

Depending on the client's wishes, the money on deposit can be invested directly in equities or in futures and options. Exposure to foreign currency fluctuations can be hedged and real estate investments can be managed. Returns, say the local bankers, are in line with those in major markets.

"The biggest advantage Monaco has over the Virgin Islands and other tax havens is that you can afford it, the lifestyle is wonderful."

Best Performing Mutual Funds

Table with columns: Fund, Performance. Lists various mutual funds and their performance metrics for different periods.

Fidelity Brings Discount Services to U.K.

FIDELITY Brokerage, one of the three big U.S. discount stockbrokers, is taking its act on the road. The subsidiary of Fidelity Investments, the world's largest fund company, is offering a wide range of services in Britain, where the concept of discount financial services is still little known.

below those of full-service firms and somewhat below those of "execution-only" brokerages already operating in Britain, long business hours, even on weekends, a toll-free phone number and many market interest on invested balances.

Some services are peculiar to Fidelity, such as single commissions on "bed-and-breakfast" transactions. These involve selling shares to lock in profits, in order to take advantage of the annual tax allowance on capital gains, and buying back the shares as early

relays the order to a dealer. That means that in some cases only market orders can be entered, she said. At Fidelity, limit and stop orders are accepted.

Commissions on U.K. shares range from £25, or about \$45, on orders of £2,500 or less, to £250. The biggest savings come on orders of £10,000 to £40,000, on which the commission rises by just £1 for each additional £1,000 of the order.

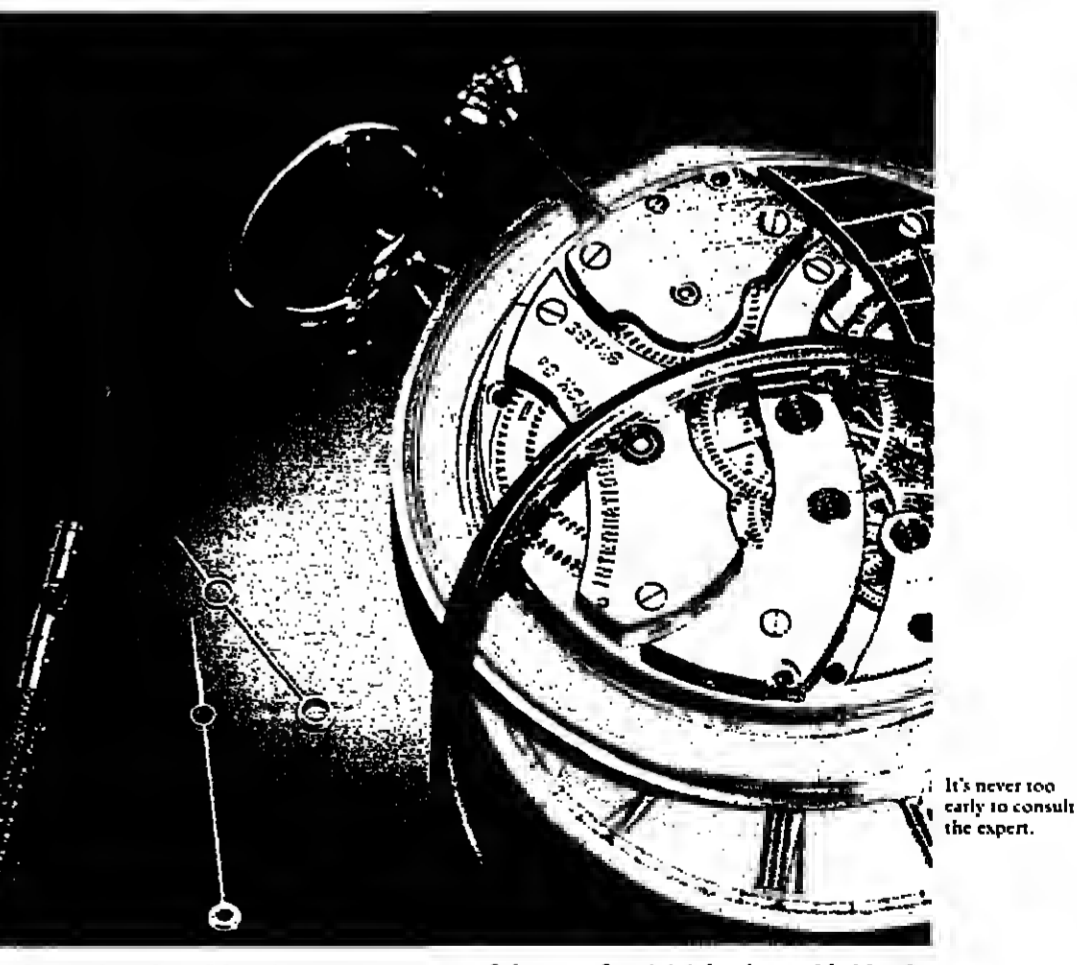
August Market Scoreboard. Table with columns: Best Performers, Worst Performers. Lists stock indices and individual stocks with price and percentage change.

While the commissions are low—actually lower than Fidelity's U.S. charges in many cases—there is a transfer stamp duty of half a percent of the order amount levied by the government on all U.K. equity purchases that can dwarf the actual commission.

Fidelity is not alone in introducing U.S.-style discount brokerage services into Europe. Charles Schwab, the biggest in the business, said it would soon open a London office to service its U.K. account holders.

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# Business

## Rooms at the Top for Mobile Executives

Hotels, like airlines, are wooing business travelers as never before. The charm campaign goes well beyond just corporate rates. There is a whole philosophy, now adopted worldwide, whose tenets include improved comfort and service, the latest communications and, in many cases, outright pampering.

"Bulletproof windows or not?" The receptionist at the Hôtel des Bergues, the luxury inn on Geneva's lakefront, certainly knows how to massage the ego of the traveling executive.

### Business travelers on the move again

This protection comes with the hotel's top suite at a price tag of some 3,900 Swiss francs (around \$3,000) per night. There is plenty of space, a Jacuzzi, computer hookups and much more. Or one can settle for a nice double at 530 Swiss francs near the private lounges and conference rooms.

Hotels have become fiercely competitive in order to maintain, let alone expand, their share of the business-travel market. Fast and painless check-in and check-out, executive floors with concierges or butlers (hotels within hotels), upgrades, voice mail, extra phones, points systems and other inducements have become standard features among the world's top business hotels.

Business travelers and tourists are on the move again. Airline figures show that overall traffic is rebounding, without regaining its pre-Gulf War, pre-recession momentum.

IATA, the Geneva-based airline association, reported 10 percent higher traffic in July and 18 percent during the year's first seven months — results that were below expectations. The Brussels-based Association of European Airlines (AEA) reported a 12 percent increase in international traffic during July for its member airlines. The AEA pointed out that this improvement was only 3 percent better than July 1990, while North At-

lantic traffic, 13 percent higher than in July 1991, failed to recover to the 1990 level, which remains the yardstick.



The Moscow Hotel Savoy, formerly the Berlin, has been refurbished under a joint venture between Intourist and Finnair.

The causes, according to the AEA, were a "capacity surge" by U.S. carriers and fare wars to attract traffic originating in the United

States, which has been hit by the falling dollar. European traffic, although 10 percent higher than last year's, was up just 2.8 percent over July 1990, despite the Seville Expo '92 and the Barcelona Olympic Games. In fact, the only really bright spots were the Middle East and South America.

In all cases, increases in business-class travel were well below these total traffic gains. Business travelers have been trading service, voice mail, to Europe when it opens its first Paris hotel, the 388-room Hyatt Regency Paris-Roissy, on October 16.

Voicemail enables guests to record and retrieve phone messages via a protected voice mailbox assigned to them alone. The system abolishes inaccurate messages or, worse, undelivered ones. It is estimated that at least a quarter of business travelers in the United States expect voice mail in a hotel. Half of new hotels are installing the systems at costs ranging from \$25,000 to \$60,000 per property. Some automatically set up voice mailboxes at check-in. Others, like SRS Hotels (320 independents worldwide), have a centralized system available to people traveling from one hotel to another — all for \$2.50 a day.

The Meridien in Boston has voice mail accessible from the outside via passwords as well as two-speaker phones, call-waiting capability, automatic redialing, speed dialing and personalized greetings for incoming calls. Hyatt wants to offer these, too, when it can solve technical problems in France. Michel Jauslin, general manager, says: "Businessmen will find it a valuable tool, for my experience is that 70 percent of

complaints concern receiving messages that are either too late or incorrectly noted."

With its two Regency Club floors for business guests, conference and meeting rooms, and extensive health facilities, Hyatt will be competing with airport hotels in London and Frankfurt, both well established as business meeting points. Frankfurt's Sheraton is connected to the arrivals terminal by footbridge and has superb communications. Some guests never see the city. Sheraton has extended its tower floors with their upgraded rooms, extra personnel, separate check-in and separate dining. Tower facilities are available in Brussels, Istanbul, Lisbon, Munich, Stockholm and Tel Aviv. Butlers are provided in the Sheraton Park Tower, London.

At Hyatt, Mr. Jauslin says he will be "flexible on rates — a valid request will be granted." European hotels of his kind, he adds, are emphasizing technological aids, whereas Asia, his previous posting, stresses service from the moment the guest's automobile is parked.

In Malaysia, Kuala Lumpur's Regent Hotel is known for its 24-hour business service and room lines for computer and fax. Travel writer Marc Rouen says the top Asian hotels match the best in technology, "although superb ser-



Left, the Regency Club Hyatt offers conference and meeting rooms as well as extensive health facilities; below, a deluxe hotel room at the Hyatt Regency, Singapore.

vice standards remain the strong selling point. Warmth, personal recognition and attention to detail are considered more likely to make frequent travelers become regular guests than gee-whiz voice mail and being able to call up your bill on the TV screen."

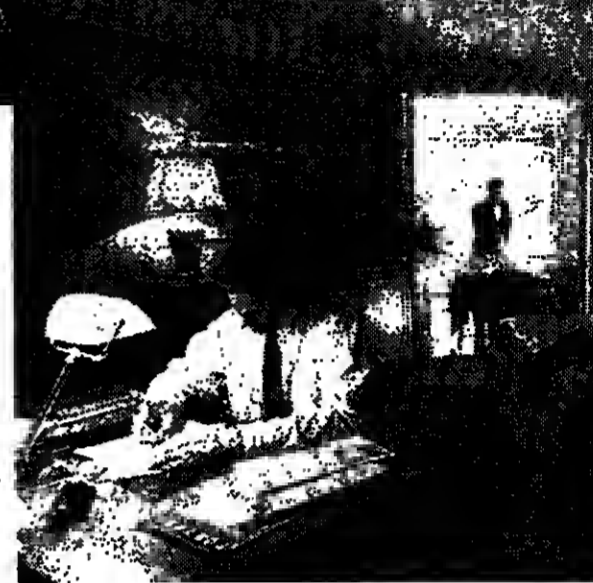
Some Japanese hotels, such as Tokyo's Takanawa Prince Hotel, are opening updated business centers — plus a \$153 million convention center in the Takanawa's case — and offering airline-style points per night for future discounts. The upgraded executive service salon at the Okura Hotel has a 24-hour workstation, personal computers, business-card printing, couriers, VCRs and screens. Faxes with individual numbers have been installed in the better rooms and suites.

The Japanese abroad are being offered special services, called *Wa No Kutsurogi* (comfort and service the Japanese way), by 50 Hilton International hotels. Michael Hirst, Hilton International's chairman and chief executive, says: "We recognized that Japan's business culture demanded stringent adherence to performance standards and the building of long-term partnerships." These standards include Japanese-speaking staff, newspapers, pastries, green tea, yukata lightweight gowns and hand showers. "The Japanese

want to maintain their high standards of cleanliness and smart appearance," says a hotel spokesman.

Each Hilton in the program has to be approved by the local offices of 15 Japanese companies. Mitsubishi has said its executives and drivers are happy with the service. The Hilton in Bangkok has Japanese chefs, Japanese language courses for its staff, Japanese TV news programs via satellite, library, videos, cassettes and laser discs. In London, there is a newsletter and, of course, golf facilities. Tel Aviv has a kosher sushi bar.

The collapse of the Soviet Union has improved conditions in the former East bloc, where hotels (with a few exceptions in Budapest as well as East Berlin's Grand and the odd Inter-Continental) were notable for their sub-



standard decoration and food and ubiquitous spies and informers. In the past few years, many hotels have been privatized and modernized, while others have been built by Western chains.

Moscow's former Berlin, now the Savoy, has been completely refitted by a Finnair-Intourist joint company and was the first to offer 24-hour room service along with translators and secretaries, modern communications and a fleet of limousines for business guests. The French Pullman Iris provides business services and a gastronomic restaurant. Radisson features offices and a business center. The Metropal, now an Inter-Continental, claims the most sophisticated business center, with trade information and the latest world stock prices. Foreign hotels have abolished the *propusk* (pass) and *dezhurnaya* (key lady).

Warsaw's Marriott is the most outstanding business hotel of the new breed

Many new hotels offer voice mail

in Eastern Europe. With its two seven-day business centers, two executive floors with lounges, satellite phone links, pool and fitness center, it has created a whole new business climate and has become the meeting place in the Polish capital, a distinct improvement on the former "grand" hotels, heavy on atmosphere but generally run-down.

The new look has come to Prague. The old Alcron hotel, nostalgic haunt of Western executives and media, has given way to the refurbished Palace; the brand-new Diplomat; the renovated Praha, former hideaway of Communist leaders; and the French Atrium. All are fit for the

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Alan Tillier, author of "Guide to Business Travel Europe" and "Doing Business in Today's Western Europe."

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ADVERTISING SECTION

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# Travel



## Professionals at the Pyramids

The professionals are coming — not archaeologists eager to chart the past but travel professionals eager to chart the future. The American Society of Travel Agencies (ASTA) is holding its annual World Travel Convention in Cairo this year. Six thousand delegates will gather from all over the world to attend the convention, whose theme is "Travel...the pathway to peace." The week of September 20 to September 26 will be punctuated by such events as President Hosni Mubarak's opening speech and a panel discussion between ministers of tourism from Egypt, Israel, Turkey and Greece. Main events will take place at the Cairo International Convention Center. The Cairo Hilton, the Sheraton and the Semiramis Inter-Continental hotels will be the hosts of related events. Among the expected guests are Omar Sharif as the Master of Ceremony and Peter Arnett, CNN's star reporter, the main speaker of the convention.

international lawyer, tycoon or entrepreneur.

Budapest, leader in the bad old days, has top-of-the-scale hotels on the Danube: the Hyatt, Inter-Continental and Forum. The Indian Oberoi chain, associated with luxury in the Far East, will be joining them.

Repeat visits are the dream of all business hotels, and no chain has more experience than Inter-Continental, which introduced its guest-recognition program, the Six Continents Club, 25 years ago. Business travelers, who make up 85 percent of those staying at Inter-Con-

### Improved security is a drawing card

Continental, either pay \$25 a year or obtain complimentary membership by spending 30 or more room-nights a year. Benefits include priority reservations, special check-in desk, upgrades, VIP greeting, a small gift, check-cashing up to \$250, newspapers and 4:00 P.M. check-out. The complimentary members have extras, ranging from 8:00 A.M. check-in, upgrades to a suite or executive floor and use of the health clubs.

Various Inter-Continental have added refinements. The Willard in Washington, D.C. throws in cellular phones and a floor, designed by the Secret Service, for both visiting heads of state and security-conscious travelers. The Mark Hopkins in San Francisco has a limousine service during business hours, while the Miami hotel specializes in video conferencing and has a 200-seat projection room for business presentations.

All the chains have the business traveler in their sights. The Mandarin Oriental in Hong Kong, often voted the best hotel and best business hotel in the world (the latest poll was among American Express cardholders) is also trying to do better with an on-line data base with a mass of trade information, Reuters service, upgraded personal computers with Windows software, more work desks, and two phones and a data port in each room. "A richer and more personal touch has been added elsewhere," says a hotel spokesman.

Forte now has a venue guarantee to manage meetings and conferences in its 280 hotels around the world, a business guarantee to secure rooms and an incentive guarantee for the staff. One Forte hotel, the luxury Westbury in New York, seeks to combine the atmosphere of an English country manor with the facilities of a business center. It is geared to chief executives and business travelers, who make up 75 percent of the clientele. Personal computers and faxes are set in surroundings of Oriental rugs, mahogany furniture and antique books. The city's Waldorf-Astoria, another high scorer in rankings of the world's business hotels, has a business center plus the Waldorf Towers, the 106-suite hotel from the 28th to 42nd floors offering privacy and 24-hour service for top executives — and the U.S. president when he's in town.

The new Hotel Millennium in New York provides Wall Street with a 24-hour

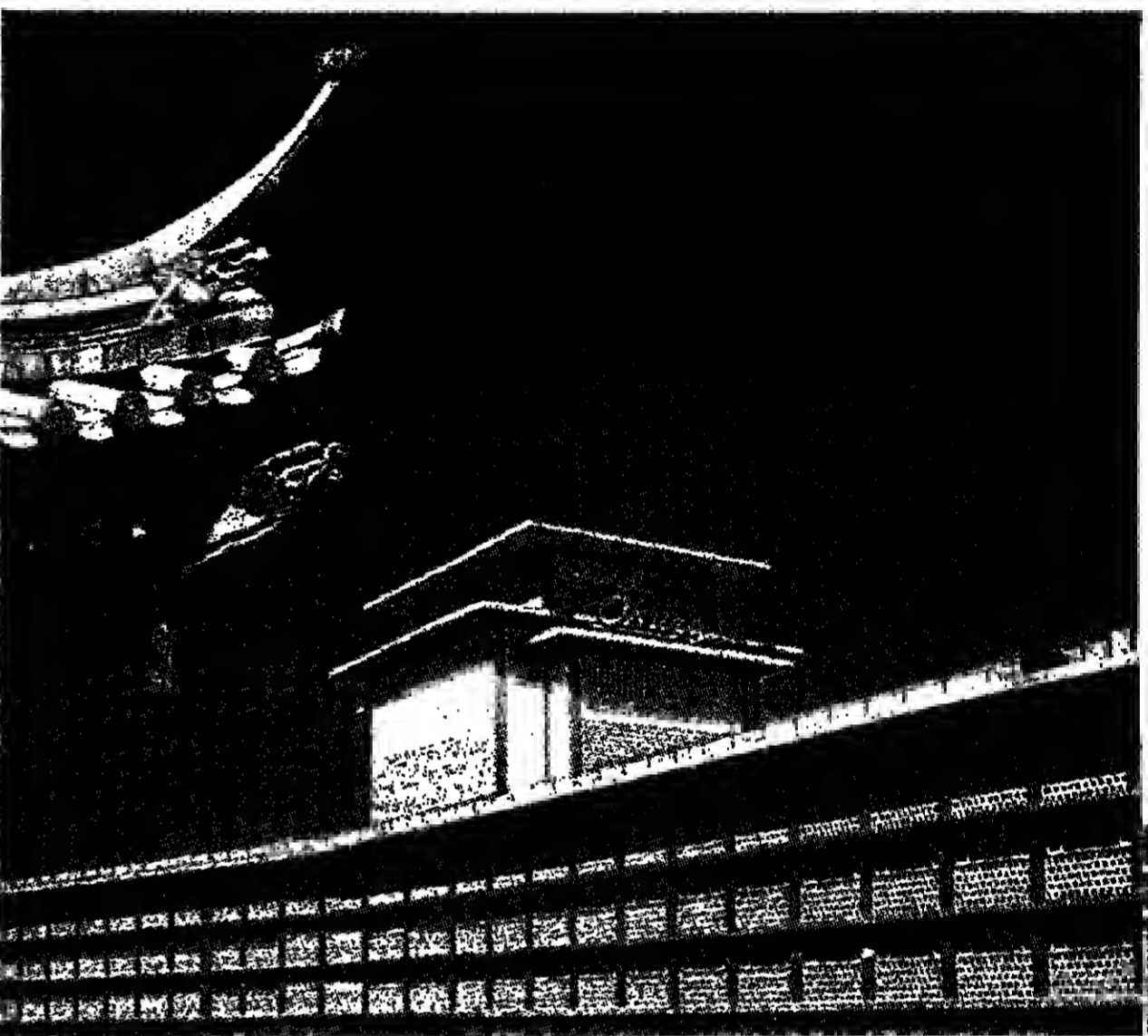
service hotel for executives, who can order everything via video screen and thus not move from their personal computers. Another Lower Manhattan newcomer for business travelers is the New York Marriott Financial Center Hotel, close to the World Financial Center.

and worldwide lounge access, is a refinement, although it is reserved for full-fare passengers. It is unabashedly targeted at business travelers, whereas U.S. carriers include everyone. British Airways says the lounge service is a bonus.

Delta, the big new play-

er famous for its prizes other than free flights — notably gliding, ballooning, motor racing, helicopter training and Kenyan photo safaris — is being launched in the United States in October with TV star Tracey Ullman doing the sales pitch. Virgin has reacted to recession by introducing

*Airlines are competing for the business dollar with ever-more-elaborate in-flight amenities, expanded frequent-flyer programs and discounts. Far right: In Tokyo, the Hotel Okura has installed faxes with individual numbers.*



The Oberoi chain (30 luxury properties in India with others in Egypt, Indonesia, Australia and Saudi Arabia) has added 24-hour business centers and butlers who pack and unpack. The chain also has an agreement with France's Accor to build and operate medium-priced hotels in India. Cairo's Seramis Inter-Continental offers "confidential secretaries" for English and Arabic letters and spreadsheets.

Between destinations, airlines worldwide are adopting American-style frequent-flyer programs, known as FFPs, which now include more than 30 million people. Many trans-Atlantic flights are made up largely of frequent fliers. American, then United and Delta, have been the pioneers, but challenger British Airways says its Executive Club with its silver card, combining the previous Latitudes mileage system

er on the North Atlantic, has first- and business-class lounges, but charges \$80 a year for its Crown lounges. It is installing lounges in places like St. Petersburg and Bucharest, and offers the best discounts to first- and business-class travelers — until the fall at least. Delta's FFP has just been approved by the French government, despite the Franco-American "air war" over landing rights.

Air France, which was saying a year ago that French business travelers were more interested in upgrades than free tickets, has launched its own FFP, Frequence Plus (six Paris-New York business-class flights earn a Paris-Caribbean economy return, while three Paris-New York economy trips win the traveler future upgrades to first class).

Virgin Atlantic's Freeway System (600 points for London-New York in upper or business class),

Mid Class, something between economy and upper class, aimed at those whose companies are pruning travel costs (British Midland pioneered one-class and mid-class, but other European carriers, particularly the small to medium-sized airlines, are recognizing the advantage of "business-style" standard at a cheaper fare).

Without going as far as USAir, which is installing phones in its jets, Virgin is putting in 20 audio and six video channels and a seat-back console for buying duty-free goods or ordering flowers, hotels and cars on the ground. A new partner is Milwaukee's Midwest Express, which has earned a reputation for its service and which impressed Virgin's chief, Richard Branson, with its in-flight cooking of chocolate chip cookies.

Less exotic, but offering the basic rewards of free flights, is Lufthansa's

Freedom of Europe "7 for 1" offer for business travelers. KLM has been inspired by Virgin and is offering — to those with a lot of points — holidays in Bali, trips on the Orient Express and even a course at Vienna's Music Academy. Swissair's program seeks to lure passengers with free trips to Barcelona, Rome and Prague for a Los Angeles return flight.

Singapore Airlines' Fly a Friend program, a two-for-one offer for first- and business-class passengers, has been extended beyond Singapore to Australia and New Zealand. Cash vouchers, ranging from £150 (\$285) to £600, are also handed out.

Airports are being modernized for greater efficiency and comfort, particularly for business-class passengers, while some cities, like Munich, are building themselves new airports. Warsaw has scrapped its old, factory-like airport in favor of a

new, German-built one, while the Czechs have turned over the modernization of Prague's airport to the Dutch.

Bjorn Hanson, partner and hotel specialist at Coopers & Lybrand, New York, sees business travel edging up, particularly advance bookings for conventions. He estimates that U.S. hotel occupancy could rise from 61.7 per-

cent to 63.5 percent next year. The industry needs 65 percent to break even. Some chains, he says, have eliminated their lowest rates, but this has been offset by "specials." In London, Geoff Reynolds of travel specialists Hogg Robinson says most business travelers can negotiate 20 percent to 30 percent off room rates.

Ken Hine, president

and chief executive officer of the American Hotel and Motel Association, says 1992 was "tough," but sees "a dim light at the end of the tunnel. Many hotel chains are reporting an increase in business this summer. Some of the growth can be attributed to the airline fare war, but the majority of new business stems from aggressive promotional efforts."

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# SPORTS FOOTBALL

## NFL Suspends World League for a Year

**By Barry James**  
*International Herald Tribune*

First the bad news. There will be no professional American football in Europe next season because of a decision by the National Football League to suspend the World League.

The good news is that the game will be back bigger and better in 1994, the World League promises.

The decision to suspend the league, made late Thursday by the NFL owners at a meeting in Grapevine, Texas, was unexpected because of the game's success in Europe during the World League's first two seasons.

"While today's announcement is sudden and unexpected, there isn't any question that American football will continue to grow throughout the world," said Joseph A. Bailey, the chief operating officer of the World League. "The popularity in our European cities is nothing short of phenomenal."

Details of how the league will be restructured were not immediately available.

At their meeting in Texas, the NFL owners also delayed plans to expand the NFL by two teams. The two sites will not be announced next month, as was previously planned, and the expansion teams will not begin play in the 1994 season. The five cities hoping to receive the new NFL teams are Baltimore, St. Louis, Missouri; Charlotte, North Carolina; Jacksonville, Florida, and Memphis, Tennessee.

The delay in expanding the NFL is due partly to the recession in the United States and partly to labor unrest, which the league said it hoped to settle through negotiation with the players rather than action in the courts. The owners said that the earliest expansion could occur would occur in 1995 and that they would not name the two cities any time soon.

The World League now has three European teams — the London Monarchs, Barcelona Dragons and Frankfurt Galaxy. It has six teams in the United States — in Sacramento, California; San Antonio, Texas; Columbus, Ohio; Orlando, Florida; Birmingham, Alabama and New York — and one in Montreal.

Nick Priestnall, the World League's director of European operations in London, said it would take several days to work out where the league would go from here.

He said officials had been looking at possible sites for expansion in Paris, Amsterdam, Hamburg, and Düsseldorf, and were making preliminary investigations in cities in Britain and Spain. The original format of the World League had called for a team in Italy.

"It's a move we would have preferred not to have taken because of the foundation we have established in Frankfurt especially," Mr. Priestnall said, referring to the suspension.

But he added: "We will be bigger and better next year. The NFL is taking the long-

term view of substantially expanding the World League in Europe. We are suspending for a year to give ourselves a better crack at doing that in 1994."

That view was echoed by Neil Austrian, the NFL's president, who told The New York Times: "It makes sense to take a breath and come back at it. There are probably a lot of things that we can do better with the World League than we've done."

The prospect is that when the league reopens there will be fewer U.S.-based teams and more international teams.

The NFL is locked in a legal dispute with its players and sees more opportunities for growth overseas than at home, according to some officials.

"The World League was very successful in Europe and we feel that an international focus instead of one in middle-sized America is the way to go," Paul Tagliabue, the NFL commissioner, told The Times.

Most of the more than 400 players in the World League are Americans, although Mr. Priestnall said there have been efforts to find and develop local talent in Europe.

In the expanded league, he said, "I would expect and envisage that the teams will be fundamentally made up of American players. In order to maintain the high standards, but equally I would expect to see more European players involved."

Professional American football has had a

fast takeoff in Europe. The 1991 season culminated in the inaugural World Bowl in London, with 61,000 spectators watching as the home team beat the Barcelona Dragons. In the second World Bowl, played in Montreal in June, Sacramento defeated Orlando.

Mr. Priestnall said the game was making such strides in Europe because of a fascination with American culture, as seen in the movies and on television.

"There's a disenchantment with soccer and among some young people a desire to capture the spirit of things American," he added.

The World League games combine spectacle and popular music in an attempt to broaden the appeal of the sport.

In Frankfurt, Mr. Priestnall said, the American football team draws an average of 35,000 spectators per game, compared with 22,000 for the local first-division soccer team.

"Within Europe there are fifteen countries with amateur American football federations, which are affiliated with the European Football League," he added. "We believe from working closely with the EFL that about 75,000 people play American football in Europe."

The World League estimates that it has a potential audience of at least 3 million in Europe.

## Mansell Opts for Indy Racing

**Prix Champ Joins Mario Andretti on Newman Team**

*Compiled by Our Staff From Dispatches*

LINCOLNSHIRE, Illinois — Nigel Mansell of Britain, the Formula One champion, will drive for Newman-Haas Racing in the IndyCar series next year, the team said Friday.

He takes the job vacated by Michael Andretti, who announced last week that he was switching from Indy cars to Formula One racing and would drive for Team McLaren on the Grand Prix circuit.

The Newman-Haas deal is worth just over \$8 million, according to racing sources.

Mansell, 39, who won his first Formula One title this season after finishing runner-up three times, will team with Mario Andretti, who was his Formula One teammate at Lotus in 1980. Mario, the 1978 Formula One champion, is Michael's father.

Carl Haas and Paul Newman, co-owners of the team, made the announcement of Mansell's signing Friday from the team headquarters in Illinois.

"Indy car racing is a wonderful new challenge for me," Mansell said in a statement. "I've seen quite a few races on television and the competition clearly is good. Indianapolis and the other ovals will be a new experience and I'm ready to give it a go."

Newman-Haas is one of the few teams in the world it would consider," he added. "Paul Newman and Carl Haas have achieved a fantastic record of success in Indy cars and I'm looking forward to being part of that."

Mansell, who won eight of 11 races this season in

Formula One, has driven for the past two seasons with the Williams-Renault team. But he had been unable to come to an agreement with the team's owner, Frank Williams, on a contract for 1993.

Third on the Formula One all-time victory list with 29, Mansell announced last Sunday that he would not race on the circuit next season because Williams had not "negotiated in good faith."

Mansell, who was in England on Friday when the announcement was made, maintains a home in Clearwater, Florida.

"My family and I enjoy America, so that's another positive factor for me in making this decision," he said.

Haas, whose team has won 44 poles, 36 races and two PPG Cup championships, said: "Nigel Mansell obviously is one of the top drivers in the world. Any time a driver of that caliber becomes available, you have to be interested. Nigel and I have known each other for a long time and I'm extremely pleased that he is joining our team."

"His presence will give IndyCar racing a whole new following in Europe," he added.

The current IndyCar point leader, Al Unser Jr., is reportedly on the short list to join Williams as a replacement for either Mansell or his current teammate, Ricardo Patrese, who has signed with Bettenhausen for next year.

(AP, AFP)

**New York Times Service**  
49ers (1-1) at Jets (8-2)

**Key Stat:** 49ers' receivers John Taylor and Mike Sherrard are averaging more than 24 yards a catch; the Jets have allowed an AFC-high 47 points.

**Comment:** Quarterback Steve Young is hitting on nearly 70 percent of his passes, and running back Tom Rathman has four touchdowns (one rushing, three receiving). There is probably too much firepower here for New York to contain. Ken O'Brien starts at quarterback for the Jets, and he is not the answer. The 49ers are favored by 4½.

**Bengals (2-0) at Packers (8-2)**

**Key Stat:** The Packers defense is allowed an NFC-worst 410 yards a game. Running back Vince Workman and receiver Sterling Sharpe rank No. 2 and No. 3 in NFC receptions, but Green Bay has averaged only 12 points a game.

**Comment:** The Bengals are winning with defense, which no one expected from a team that finished 28 in total defense a year ago. Ray Bentley is out with a knee injury, but there is enough left to keep the Packers in check. Even

## Jets Are Up Against 49ers' High-Powered Aerial Weaponry

**Broncos (2-0) at Eagles (2-0)**

**Key Stat:** Eagles' quarterback Randall Cunningham is 35-for-47 (74.5 percent) with 5 TD passes. His favorite target is Fred Barnett, who leads the NFC in receiving yards (243).

**Comment:** A possible Super Bowl preview here, so Denver had better use extra protection for John Elway. Eagles by 7.

**Chiefs (2-0) at Oilers (1-1)**

**Key Stat:** The Chiefs have won their first two games by a combined score of 50-17. Warren Moon threw for 527 yards and 3 touchdowns against Kansas City in 1990.

**Comment:** Physical matchup, especially with the Oilers' improving defense against the Chiefs' power running game. Houston needs more big-play running from Lorenzo White to win. Oilers by 5½.

**Saints (1-1) at Falcons (1-1)**

**Key Stat:** Falcons' receiver Mike Pritchard is emerging as a reliable threat with blazing speed — he has 11 catches

for 155 yards; Saints' linebacker Pat Swilling has three sacks.

**Comment:** No Atlanta running back ranks among the AFC's top 17. In the Falcons' Red Gun offense, running backs start blanks last week against Washington. New Orleans has a super run defense, and Atlanta will miss lightning-quick receiver Michael Haynes (separated shoulder). Even.

**Seahawks (0-2) at Patriots (0-1)**

**Key Stat:** The Seahawks have scored only 10 points this season; the Patriots have scored none.

**Comment:** Both teams seem headed full-speed in the same direction — down, down, down. It looks as if the Seahawks will get their first Patriots by 7.

**Buccaners (2-0) at Vikings (1-1)**

**Key Stat:** Tampa Bay's Vinny Testaverde has completed 72 percent of his passes and has not thrown an interception; Minnesota's Rich Gannon has made 49.1 percent and has thrown four interceptions.

**Comment:** The Bucs hope to keep a

good thing going by winning on the road for the first time in their last 15 attempts. But the Vikings' special teams, though, ought to outplay by Detroit last week, should turn the tables. Minnesota by 7½.

**Browns (0-2) at Raiders (0-2)**

**Key Stat:** Cleveland's defense allowed more points against Miami (27) than the Browns' offense has scored in two games

**49ers' quarterback Steve Young is hitting on nearly 70 percent of his passes.**

(26); the Raiders have lost two games by total of 7 points.

**Comment:** Todd Marinovich starts for the Raiders and should have a big game against an inconsistent defense. An O-3 start for the Raiders just won't do with a Monday night matchup in Kansas City next. Raiders by 12.

## Colts (1-1) at Bills (2-0)

**Key Stat:** Buffalo's offense is off and running; the team's 74 points easily leads the league — San Francisco is second with 62.

**Comment:** The Colts' coach, Ted Marchibroda, comes back to Buffalo, where he served as offensive coordinator. Many thought the Bills' offense would miss him miserably, but Buffalo just wants to show him just how much they've fine-tuned what he started. Bills by 19.

**Giants (0-2) at Bears (1-1)**

**Key Stat:** The New York Giants have allowed a league-high 65 points; the Bears are almost there, at No. 3, having allowed 52.

**Comment:** This was once a marquee matchup. No longer, but it should be an entertaining matchup because the country will have a chance to see just how the Giants have slipped and how Chicago remains far less than a dominant team. Brisk winds in the Windy City should blow the ball the home side's way. Bears by 3.

**Cardinals (0-2) at Cowboys (2-0)**

**Key Stat:** The Cardinals have lost 10 straight regular-season games; the Cowboys have won seven straight regular-season games.

**Comment:** That this is a divisional game will help Dallas keep its focus. Otherwise the Cowboys might be ripe for an upset, after toppling the Redskins and the Giants in successive weeks. But it won't happen, because they want a 3-0 jump in the NFC East. Cowboys by 14.

**Steelers (2-0) at Chargers (0-2)**

**Key Stat:** The Steelers' defense has produced 12 turnovers, and Pittsburgh ranks second behind Buffalo in AFC points scored with 56.

**Comment:** Having won on the road at Houston and then easily handling the Jets at home, Pittsburgh should have little trouble with the Chargers. Bill Cowher's quarterback decision — Neil O'Donnell over Bobby Brister — has worked out beautifully. Chargers by 3.

### BOOKS

**AMERICA'S VIETNAM WAR: A Narrative History.** By Elizabeth Becker. 221 pages. \$14.95. Clarion Books, 215 Park Avenue South, New York, New York 10003.

**AMERICA AND VIETNAM: The Elephant and the Tiger.** By Albert Marrin. 277 pages. \$16. Viking Inc., 375 Hudson Street, New York, New York 10014.

Reviewed by Marc Leepson

FIVE years ago Bill McCloud began preparing to teach the Vietnam War to his eighth-grade history class in Pryor, Oklahoma. But McCloud, a Vietnam veteran and a veteran of a dozen years in the classroom, had a problem. "I had no idea how or what to teach about it," he wrote in "What Should We Tell Our Children About Vietnam," his intriguing 1989 book that presents 129 answers to that question from people from all walks of life who were touched by that war.

So the teacher began educating himself about teaching Vietnam. Among other things, McCloud found that the standard junior high American history textbooks had only sketchy, inadequate sections on the war. And he managed to come up with only a handful of suitable

Vietnam War history books for junior and senior high school students.

That situation has changed. Most secondary school history texts now devote more space and much more analysis to the longest and most controversial U.S. overseas war. And at least a half dozen Vietnam War history books aimed at young people have been published in the last five years. Some, including Maurice Isserman's "The Vietnam War" (1992) and James A. Warren's "Portrait of a Tragedy" (1990), are even-tempered and objectively presented. Others, such as Sidney Lens's "Vietnam: A War on Two Fronts" (1990) and Dorothy and Thomas Hoobler's "Vietnam: Why We Fought" (1990), mix the authors' opinions with the facts.

The biggest strength of Elizabeth Becker's "America's Vietnam War" is her informed, sober objectivity. Becker, a journalist, covered the war for The Washington Post and Newsweek and wrote the widely praised "When the War Was Over" (1986) about the Cambodian killing fields. In her new book, Becker achieves her stated goal of writing a "narrative history that explains the Vietnam War without being encyclopedic."

And without being dogmatic, Becker finds much to criticize among virtually all sides in Vietnam. She points out, for example, that the North Vietnamese Army and Viet Cong's massacre of civilians at Hue during Tet 1968 "revealed that the Communists were capable of committing atrocities on a mass scale."

She also has harsh words for President Lyndon B. Johnson, who Becker characterizes as "ruthless" in his warring and dishonest in dealing with Congress and the American public.

Her book deserves high marks for this unbiased presentation and is a good starting point for junior and senior high school students.

The same cannot be said about Albert Marrin's more impressionistic "America and Vietnam." Marrin, who chairs Yeshiva University's history department, tells his story occasionally and at times personally. "All we can do is present the basic facts and allow readers to judge for themselves," Marrin says. But he tends to present the facts on both sides of controversial issues and then either come down squarely on the hawkish side or give undue weight to evidence buttressing his personal, strongly anti-Communist opinions.

But Marrin also is capable of reasoned, nonideologically biased writing. His conclusion, for example, is persuasively argued. "America is a nation built on law, not personal whim," Marrin says. "No leader, however well meaning, has the right to take us into war without our informed consent. Anything less is a betrayal of the principles upon which this nation was founded. If a war cannot be justified to the people who must fight it, then it should not be fought at all."

Marc Leepson, book editor for the *Veteran* magazine, wrote this for *The Washington Post*.

### BRIDGE

By Alan Truscott

IT was a Black Wednesday for the American teams in the World Bridge Federation's Team Olympiad Wednesday, August 26, 1992. The open team lost two matches, 6-24 to New Zealand and 14-16 to Pakistan, falling from 1st to 4th in qualifying Group B.

Many North-South pairs reached six diamonds on the diagram deal from the ninth round of play. It was an excellent contract, but in some jeopardy because of the four-one spade division.

South reached the slam by the route shown. The one no-trump rebid was strong, and two diamonds was an artificial game-force.

A neutral trump lead gave him no help. He drew trumps, cashed the spade ace and led to the queen, hoping to be able to chain 12 tricks. When he discovered that West still had the king-ten of spades, he cashed the club ace, ruffed a club, and led his remaining trumps.

At the finish, West made it easy by saving the king-ten of spades and the king-nine of hearts, so South was able to finesse in hearts and cash the hearts to make his slam.

In the reply, North was the declarer in six diamonds and receive the lead of the spade nine. Discarding a singleton North won the ace, drew trumps and finessed the spade eight successfully.

**NORTH (D)**  
 ♠ O 3 5  
 ♥ K 8 6  
 ♦ A 5 2

**WEST**  
 ♠ K 10 5 2  
 ♥ C 8 6 3  
 ♦ 10  
 ♣ Q 3 3

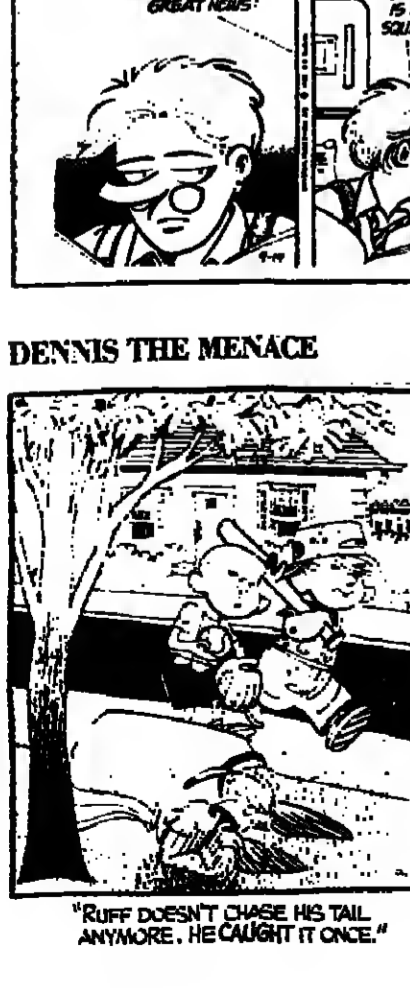
**EAST**  
 ♠ 8  
 ♥ 10 7 4  
 ♦ 7 5 3  
 ♣ K 10 8 7 6 4

**SOUTH**  
 ♠ A 7 4 3  
 ♥ A Q J 6 4 2  
 ♦ 4

East and West were vulnerable.  
 The bidding:  
 North East South West  
 1 ♠ 1 NT Pass 2 ♠ Pass  
 2 ♣ 2 ♣ Pass 2 ♠ Pass  
 3 ♠ 4 NT Pass 4 NT Pass  
 5 ♣ 6 ♣ Pass Pass

West led the diamond ten.

### DOONESBURY



### JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

SEBOE  
 ECCLY  
 RUPPLE  
 KROMES

Now arrange the circled letters to form the surprise answer, as requested by the above cartoon.

Answer here: \_\_\_\_\_

Answer: Now the museum officials responded after all those paintings were missing — ARTLESSLY.

### BLONDIE



### WIZARD OF ID



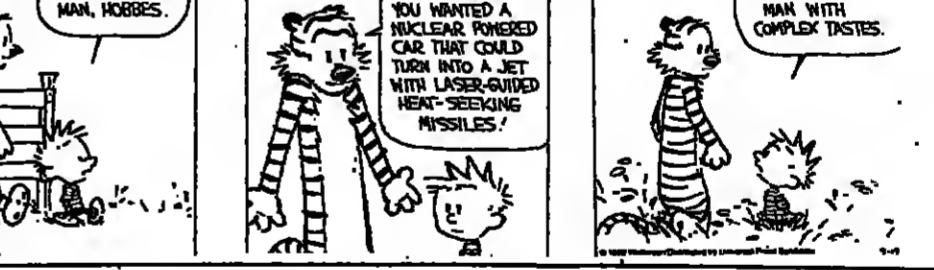
### PEANUTS



### BEEBLE BAILEY



### CALVIN AND HOBBES



### REX MORGAN



### BLONDIE



### GARFIELD

